

The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, MAY 2, 1935

WHO HAD TO PAY?

THE CASE: Canned goods packed in South America. Imported by a great distributing house. Sold to a chain store. Retailed to a customer. The customer sued, alleging that the canned goods contained a piece of tin, which he swallowed.

THE VERDICT: Distributor and chain store held jointly liable. Both had to pay.

THE MORAL: Products Public Liability Insurance, which protects against such losses, is one of many Public Liability coverages for which agents find a ready sale. Helpful selling facts on these coverages are given in the U. S. F. & G. "Pathfinders" for May. It will pay you to read your copies carefully.

U. S. F. & G.

UNITED STATES FIDELITY & GUARANTY COMPANY

with which is affiliated

F. & G. FIRE

FIDELITY & GUARANTY FIRE CORPORATION

Home Offices: BALTIMORE



"Consult Your Agent or Broker as You Would Your Doctor or Lawyer"



LOFTS & LOSSES

Paying losses from lofts or warehouses is not the usual insurance company procedure. Royal-Liverpool Companies, however, are always ready to meet any emergency. The "Royal" and the "L. & L. & G." buildings and the office of the Queen were consumed by the flames that destroyed San Francisco in April, 1906. The above picture shows one of our temporary offices set up in a loft for the purpose of paying losses while the city still smoldered.

There were 243 companies involved in this conflagration. As regards only five of them, did a nationally recognized authority comment as follows: "Paid all claims in full, immediately on adjustment, without discount. Only four other companies (other than those whose loss was nominal) settled as liberally. Treatment of claimants courteous and entirely satisfactory." Of these five, three were Royal-Liverpool Companies: the "Royal," "L. & L. & G." and "Queen" which together paid out losses exceeding \$13,600,000.

ROYAL-LIVERPOOL GROUPS

ONE HUNDRED FIFTY WILLIAM STREET, NEW YORK, N. Y.

AMERICAN & FOREIGN INSURANCE COMPANY • BRITISH & FOREIGN MARINE INSURANCE COMPANY, LTD. • CAPITAL FIRE INSURANCE COMPANY OF CALIFORNIA
THE LIVERPOOL & LONDON & GLOBE INSURANCE CO. LTD. • THAMES & MERSEY MARINE INSURANCE COMPANY, LTD. • QUEEN INSURANCE COMPANY OF AMERICA
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The National Underwriter

Thirty-Ninth Year—No. 18

CHICAGO, CINCINNATI, NEW YORK AND SAN FRANCISCO, THURSDAY, MAY 2, 1935

\$4.00 Per Year, 20 Cents a Copy

New Men at Head of Phoenix Group

J. M. Haines Is Made General Attorney and T. J. Irvine Fire Manager

BERESFORD NOW RETIRED

Both Executives Have Had Long and Valuable Experience in Their Special Lines

NEW YORK, May 1.—Following the retirement of Percival Beresford as general attorney and United States manager of the Phoenix Assurance, James M. Haines, United States manager of the London Guarantee & Accident and president of the Phoenix Indemnity, becomes general attorney for the Phoenix of London group, which includes, in addition to the two casualty companies, the Phoenix Assurance, Union Marine & General, Imperial Assurance, Columbia of New Jersey and the United Firemen's. Mr. Haines will continue as United States manager of the London Guarantee and in addition thereto he has been appointed chairman of its United States board. He has also been elected chairman of the board of the Phoenix Indemnity, as well as president and general manager. He becomes chairman of the board of the American companies in the group.

T. J. Irvine is appointed manager of all the fire companies, he being promoted from the assistant managership.

J. M. Haines' Career

Mr. Haines is one of the well known figures in the casualty business, having been in it for 28 years, and during all that time has been connected with the London Guarantee & Accident, starting with its United States headquarters when it was located in Chicago. When the London Guarantee was acquired by the Phoenix Assurance in 1922, he became one of the officials of that company. He has served as president and general manager for the Phoenix Indemnity since 1930.

Mr. Haines was born in Adrian, Mich., in 1890 and spent most of his early years at Wabash, Ind. He went to Chicago in 1907 and obtained a position in the statistical department of the London Guarantee, which was then under the management of the late Capt. A. W. Masters. In 1912 he was made superintendent of the liability department and in 1920 superintendent of agents. He was appointed assistant manager in 1923, and on the death of Manager C. M. Berger he was appointed manager in 1929. He has served organizations in important capacities. He is chairman of the executive committee of the International Association of Casualty & Surety Underwriters, a member of the executive committee and special committee on workmen's compensation rates of the National Bureau of Casualty & Surety Underwriters. He is a mem-

General Agents Program for Annual Convention

Henry A. Steckler of New Orleans, president American Association of Insurance General Agents, has announced the completed program for the annual convention to be held at the Hotel Kansas Citian, Kansas City, Mo., May 13-14. The detailed program is as follows:

Monday, May 13

Meeting called to order, 10 a. m.
Address of Welcome, Ray B. Duboc, president Western Companies, Fort Scott, Kan.
Response, W. L. Braerton, president Braerton, Simonton, Brown, Denver.
President's Address, Henry A. Steckler, New Orleans.
Greetings of National Association of Insurance Agents, Cliff C. Jones, former president National Association of Insurance Agents, Kansas City, Mo.
Report of Secretary-Treasurer, G. E. Edmondson, Tampa, Fla.
Address, "American Association of Insurance General Agents—Its Accomplishments and What It Stands For," Herbert Cobb Stebbins, Denver.
Address, "Recapturing Automobile Business," Walter Meiss, general agent London Assurance, New York.
Report of Executive Committee, Bernard P. Carter, Richmond, Va.
Report of Conference Committee, Langdon C. Quin, Atlanta, Ga.
Report of General Welfare and Statistical Committee, John J. Seibels, Columbia, S. C.
Report of Membership Committee, Herbert Cobb Stebbins, Denver.
Report of Publicity Committee, J. G. Leigh, Little Rock, Ark.
Report of Memorial Committee, J. K. Shepherd, Little Rock, Ark.

ber of the board of the Workmen's Compensation Reinsurance Bureau and the Aero Insurance Underwriters. He is chairman of the board of governors of the Assigned Risk Pool.

Mr. Irvine, who in addition to being United States manager of the Phoenix Assurance and the Union Marine & General, becomes president of the Imperial Assurance, Columbia and United Firemen's, had a long experience in the business, starting with the London & Lancashire in Toronto in 1902. In 1922 he joined the London Guarantee as fire manager for Canada. In 1928 he was transferred to New York as assistant secretary of the Phoenix Assurance and allied companies. He was made secretary of the Phoenix and Union Marine in 1931, and vice-president and secretary of the affiliated American fire companies.

Mr. Beresford retires from business with the fondest wishes of all who come in contact with him.

Honoring Mr. Beresford, the official staff of the Phoenix and London Guarantee & Accident last night presented their retiring chief a handsome pearl stick pin, remembering Mrs. Beresford at the same time with a fine traveling clock. Those in attendance, in addition to the executive staffs of the associated companies and divisional managers, included field men from all sections of the country east of the Rocky Mountains. C. A. Craft of San Francisco, Pacific Coast manager of the Phoenix group, was also present. Mr. Irvine was master of ceremonies, and Mr. Haines

General discussion.
New business.
Appointment of special committees.
Luncheon on the Kansas Citian roof as guests of the Kansas City Fire & Marine.
Luncheon, sightseeing, tea and bridge for the ladies, arranged by Mrs. T. W. Garrett, Jr., and Mrs. Ray B. Duboc, Kansas City.
Evening, Annual Dinner and Dance, Hotel Kansas Citian.

Tuesday, May 14

Meeting called to order, 10 a. m.
Address, "Inland Marine Business," E. S. Page, Jr., North America, Philadelphia.
Address, "Casualty and Surety as Applying to General Agencies," Dennis Hudson, president Central Surety of Kansas City.
General discussion.
Unfinished business.
Report of special committees.
Election of officers.
Installation of officers.
Luncheon, as guests of the Central Surety.

T. W. Garrett, Jr., of Kansas City is in charge of the local arrangements. At the Kansas City Fire & Marine luncheon the chief speakers will be R. E. O'Malley, Missouri superintendent of insurance, and M. T. Jones, president of the Kansas City F. & M. W. D. Williams, vice-president of the Security, in charge of the western department and former president of the Western Underwriters Association, is scheduled to give a talk.

spoke briefly, as did Mr. Craft and others. The rest of this week the field men of the affiliated companies will hold a series of meetings here, going over problems in their respective lines and territories.

Society to Meet May 23

NEW YORK, May 1.—The Insurance Society of New York will hold its annual meeting May 23. E. C. Lunt, vice-president Great American Indemnity, is chairman of the nominating committee.

C. K. Withers Is Appointed New Jersey Commissioner

TRENTON, May 1.—The nomination by Governor H. G. Hoffman of Carl K. Withers for commissioner of banking and insurance of New Jersey was confirmed by the senate, effective immediately. He succeeds Col. W. H. Kelly, who has held the position for the last three years.

Mr. Withers, a Democrat, is trust officer of the First Mechanics National Bank of Trenton, of which former Governor E. C. Stokes, who at one time was in the insurance business is chairman of the board. Mr. Withers is a former president of the New Jersey State Bankers' Association and is well known in banking circles throughout the state but not among insurance men.

U. S. Chamber of Commerce Gathers

Plaques Awarded to Cities in National Fire Waste Contest

Contest

DIRECTORS ARE ELECTED

Insurance Division Gathering Addressed by Col. C. B. Robbins and H. H. Heimann

WASHINGTON, May 1.—Effects upon the insurance industry of activities of the federal government were discussed at the round table conference on insurance at the annual meeting of the United States Chamber of Commerce. Predictions that home owners borrowing from the government would eventually become one of the strongest lobbies ever seen and that they will work the interest rate down to as low as 2 percent were made by speakers who declared that insurance dividends in the future may be less because the companies will be forced to compete with that type of business.

Nominations submitted April 29 for officers for the coming year carried the names of S. F. Clabaugh, president Protective Life, Birmingham, Ala., as director from the fourth election district; L. J. Dougherty, president Guaranty Life, Davenport, Ia., as director from the sixth district, and John C. Harding, manager western department Springfield Fire & Marine, Chicago, as director representing insurance. In no instance was there any opposing candidate.

M. A. Linton on Committee

Insurance was also represented on the resolutions committee, the most important body of the convention, by M. A. Linton, president Provident Mutual Life. This committee is required to pass upon all resolutions submitted, and those upon which it reports favorably and which are adopted by the chamber, become the platform of the organization with respect to the matters covered.

Award of the plaques presented by the National Fire Waste Council to cities in the annual contest making the best showing in reduction of fire waste, was made April 29 by P. B. Sommers, president American Fire of Newark, and chairman of the executive committee of the National Board of Fire Underwriters.

Fine Records Established

Outstanding records in reduction of fire losses were made by the contestants last year, Mr. Sommers declared, the per capita loss of the competing cities was \$1.63 as against \$2.19 for the country as a whole. As compared with the average of the preceding five years, the

(CONTINUED ON PAGE 29)

Van Schaick Is Expected to Retire from Office Soon

RESIGNATION IS ANTICIPATED

Legislature Having Adjourned, the New York Insurance Superintendent Will Very Likely Step Aside

The New York legislature having adjourned, it is taken for granted that very shortly the resignation of G. S. Van Schaick as insurance superintendent of that state will be presented. Mr. Van Schaick desired to retire from office earlier this year, but the governor induced him to remain during the legislative season.

Mr. Van Schaick has been a forceful and steady influence during the depression days when the insurance structure was out of balance and might easily have been seriously damaged had supervision in the key state been less statesmanlike.

Highlights of His Tenure

Mr. Van Schaick took office in 1931, was reappointed in 1933 and was again reappointed in January of this year. He promptly reorganized the department and gathered about him a staff of talented young men. One of his first undertakings was to eradicate illegal practices in fire and casualty insurance and he imposed a series of fines. Although the courts subsequently held that the insurance department was without authority to impose such fines, his vigorous policing had a wholesome effect.

Mr. Van Schaick is credited with having reformed the practices in the taxicab field by ruling that certificates of solvency and responsibility cover practices of company management as well as financial condition.

He ruled that company pledges as to acquisition cost might be filed with the department in connection with rate filings, thus making it possible for the department to enforce acquisition cost pledges.

Rehabilitation Statute

In 1932 he caused the enactment of a broadened rehabilitation and liquidation statute, under which the National Surety, Globe & Rutgers and the title and mortgage guaranty companies were reorganized.

When the question of valuation of securities became of paramount interest, Mr. Van Schaick assumed national leadership and came out with an average valuation formula which was adopted by the National Convention of Insurance Commissioners. His leadership undoubtedly prevented the wrecking of a large number of companies that are now out of the woods and on a market value basis.

In the life insurance crisis of 1933 he was given emergency powers by the legislature and he declared the moratorium, which prevented the life companies from being bled to death.

Staff Was Increased

Despite the great clamor for reduction of governmental expenses, Mr. Van Schaick managed to increase the temporary staff during the emergency and to make permanent additions, by convincing the legislature such additional expenses were vital.

Mr. Van Schaick is credited with having prevented the National Surety from going into ordinary liquidation, by salvaging the existing business. The Globe & Rutgers was completely rehabilitated under his guidance.

In addition to the great insurance problems with which he was faced, Mr. Van Schaick inherited a stupendous mess in the title and mortgage companies. He took over 23 of these concerns, about half of which are now on the road toward liquidation. There remain under the supervision of the department about 120,000 mortgages, aggregating more than \$1,600,000,000 in

Head Phoenix of London Group



J. M. HAINES, General Attorney



T. J. IRVINE, U. S. Manager

Following the retirement of Percival Beresford as United States attorney and manager of the Phoenix of London group, J. M. Haines, United States manager of the London Guarantee & Accident and president of the Phoenix Indemnity, becomes general attorney for all the companies in the group, and T. J. Irvine is promoted to United States manager of the fire and marine companies.

principal. The department has exercised direct administrative control over thousands of New York's large buildings.

Mr. Van Schaick was subjected to severe criticism in the early stages of the title guaranty company liquidations. He requested that a Moreland commissioner be appointed to investigate the insurance department and the report of the commission completely vindicated the superintendent.

The New York department, under Mr. Van Schaick's administration, took the lead in attempting to remove the confusion existing because of overlapping of writing powers of fire, casualty and marine companies. As a result of the

work started in New York state, the uniform definition of marine writing powers was formulated and has been officially recognized in many states.

In addition to handling the National Surety, Globe & Rutgers and title and mortgage companies, the liquidation bureau of the department has taken over nearly 40 insurance companies during the past four years.

While Mr. Van Schaick has been in office, he has proposed or favored much important legislation.

The Charles E. Burton Co., New Haven, Conn., has been incorporated with C. E. Burton, Jr., as president and treasurer and H. S. MacDonald, secretary.

THE WEEK IN INSURANCE

J. M. Haines, United States manager of the London Guarantee & Accident and president of the Phoenix Indemnity, has been appointed general attorney for the Phoenix of London group in the United States. T. J. Irvine has now assumed his post as United States manager of the Phoenix of London fire group, succeeding Percival Beresford, who has retired. **Page 1**

Detailed program for annual meeting of the American Association of Insurance General Agents in Kansas City is announced. **Page 1**

Conference is held between companies and a committee of National Association of Insurance Agents on pro rata cancellation at a single location. **Page 2**

Special rate offers attacked by New York City Suburban Agents Association at annual meeting. **Page 8**

Interesting developments come out in damage to scrip tax stamps in the National Distilling Corporation loss at Peoria. **Page 8**

Administration of new Indiana code discussed by Commissioner H. E. McClain of Indiana at gathering of field men. **Page 4**

Executive Secretary H. H. Heiman, National Association of Credit Men, delivers address before insurance group of the United States Chamber of Commerce. **Page 3**

Illinois insurance code now has many amendments pending. **Page 4**

Albert Dodge outlines advertising program of National Association of Insurance Agents in Cleveland talk. **Page 8**

Insurance Commissioner H. P. Dunham of Connecticut becomes vice-president American Surety. **Page 3**

Hall insurance activities of Home of New York fleet centralized in new central hall department at Chicago. **Page 4**

Joy Lichtenstein of San Francisco, manager Hartford Fire, is nominated for presidency of the Pacific Board. **Page 22**

Oregon state capitol building at Salem burns with no insurance carried. **Page 4**

New compulsory automobile liability rates for Massachusetts prepared by new commissioner. **Page 27**

Much interest is being taken in the proposed new financing revolving about the Home of New York group. **Page 2**

S. M. Buck, western manager Fireman's Fund, presents historical documents covering some early days in the founding of the western department. **Page 8**

Program is announced for the annual meeting of the marine section of the National Fire Protection Association in New York. **Page 21**

Many outside interests join in work of index bureaus conducted by National Bureau of Casualty & Surety Underwriters to check claim frauds. **Page 25**

E. J. Schofield, vice-president of the Globe Indemnity, has resigned to enter independent educational and advertising work in Detroit. **Page 27**

Edwin A. McCord, vice-president of the Illinois Mutual Casualty of Peoria, Ill., has been elected president. **Page 30**

Conference Is Held as to Prorata Reduction Rule

WILL WATCH THE OPERATIONS

Agents and Companies Meet in Joint Session to Talk Over the New Practice

The National Association of Insurance Agents at its mid-year meeting appointed a committee to deal with the prorata reduction rule on contents at single location that had been put into effect in some jurisdictions. A. J. Smith of New York was chairman of the committee, E. J. Cole of Fall River, Mass., and C. C. Hewitt of Boston were appointed on the committee with J. B. Miller, assistant secretary of the National association, also being added.

At the conference last week there were a number of people representing companies and organizations, they being P. B. Sommers, American; W. F. Dooley, America Fore, who is chairman of the governing committee of the New York Fire Insurance Rating Organization; F. E. Jenkins, Queen; E. T. Cairns, Fireman's Fund, representing the Pacific Board; Sumner Rhoades and H. Beldon Sly, Eastern Underwriters Association, W. R. Burchell, Commercial Union, and R. D. Hobbs, Western Actuarial Bureau.

E. U. A. to Consider Modification

It was agreed that the present rule would be continued in effect for the present and that a committee of the Eastern Underwriters Association would consider a modification that would permit reduction of a blanket policy on a prorata basis. The modified measure would not necessarily require 50 percent of the insurance to be maintained as under the contents rule, but would call for some definite percentage.

At the mid-year meeting the point was made that this rule was dangerous unless proper safeguards were thrown about it to protect the short rate table and to prevent switching of business. Pinchback Taylor of Pine Bluff, Ark., illustrated the point from his own experience by showing how he had gradually gotten control of a \$100,000 line by use of the rule although originally he had but \$10,000. Others from the floor showed that this rule opened the way for switching of business.

Mr. Smith's Recommendation

Mr. Smith in his report at the mid-year meeting said that the Interstate Underwriters Board, in issuing a similar policy, did not pay return premiums until expiration and he recommended that it be followed in the new rules. Some of the company men present said that the I. U. B. rule had been considered before the rule for general use was adopted but it was not thought to be practical. It seemed to be the upshot of the meeting that all hands agree to watch the working of the present rule and to see what changes are necessary. Furthermore it was felt that a rule for prorata reduction on a blanket form should be considered. The present prorata reduction rule has been adopted both in the east and south.

Contentions of the Agents

The chief contention of the agents was that the rule would induce twisting of lines. Company men disagreed with such conclusion, maintaining that it would be impossible for a rival agent to get any portion of a line without the knowledge of the office already controlling it. The latter would be in position to offer every facility a competitor might suggest. No assured, they held, would split a line for the mere sake of favoring a friend, if he realized that it would require the rewriting of the business and grant him no particular benefit.

The further desire of the local men that the pro rata concession be extended to classes other than those already de-

(CONTINUED ON PAGE 11)

Much Interest in Home Transaction

Deal Would Increase Policyholders' Surplus of Company by \$7,500,000

STEPS ARE COMPLICATED

Details of Plan to Shift Equities of Companies in Home Group Are Being Studied

NEW YORK, May 1.—Great interest is being taken by fire insurance people in the proposed shifting of equities, the result of which would be that direct ownership of the National Liberty and other affiliated companies would pass directly to the Home of New York, while the Home Fire Security Corporation would come into possession of 500,000 shares of Home of New York stock in place of its present holdings of Home of New York affiliates.

The steps that are mapped to accomplish this objective are somewhat complicated and the plan is being given much study not only by stockholders but by fire insurance people generally.

Special meetings of stockholders of both the Home of New York and the Home Fire Security Corporation will be held May 10 to act upon the proposals.

Necessity for Financing

The necessity for the refinancing arises from a bank loan which the Home Fire Security negotiated in April, 1930, to purchase the three companies in the National Liberty group. The stocks of those companies plus certain other Home Fire Security holdings were deposited as collateral for the bank loan. The unpaid principal of the loan now amounts to \$18,500,000 and as of March 30, 1935, there was \$1,818,644 of accrued interest. Because of the drop in security values, the market value of the collateral is substantially less than the principal of the debt.

Should the banks foreclose on the collateral, the Home Fire Security Corporation would lose practically its entire investment and might be liable for a deficiency judgment. Such foreclosure might mean that the National Liberty, Baltimore American, Southern Fire of New York and the Georgia Home might be removed from the Home fleet.

The creditor banks are averse to forcing a sale. They have agreed to a plan, which if ratified by the stockholders will be consummated.

Banks Forgive Interest

The banks will forgive all interest accrued and unpaid amounting now to about \$1,800,000.

The Home Fire Security will purchase 500,000 shares of newly authorized Home of New York stock, paying \$2,500,000 in cash as well as the National Liberty stock and other equities, now constituting the collateral behind the bank loan.

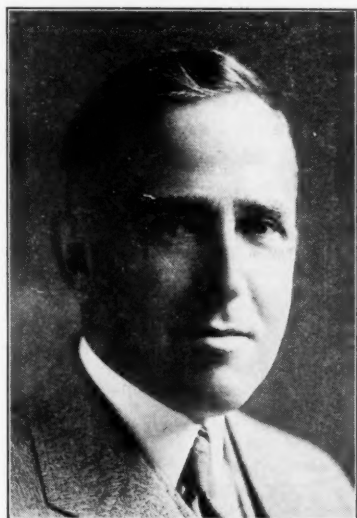
The banks will advance to the Home Fire Security the \$2,500,000 in cash, repayable on demand, and will surrender practically all collateral now held by them and will accept as substitute collateral, the 500,000 shares of Home of New York.

The banks will accept as the only interest to be paid in the future upon the \$18,500,000 debt whatever "ordinary" dividends may be declared upon the shares of the Home of New York.

During a period of three years the Home Fire Security may sell all or any part of the 500,000 shares of Home of

(CONTINUED ON PAGE 22)

To Take New Post



COL. HOWARD P. DUNHAM

NEW YORK, May 1.—President A. F. Lafrentz of the American Surety and New York Casualty announces that Col. H. P. Dunham, Connecticut insurance commissioner, becomes vice-president of the two companies in charge of public relations. He will take his new post July 1. Col. Dunham was appointed commissioner in 1923. He was elected president of the Insurance Commissioners Convention in 1930. For a number of years he was connected with the accident department of the Aetna Life. He was a member of the Connecticut legislature for two terms. He is one of the outstanding commissioners.

Subscription Swindler Jailed

Had Collected Money from Omaha Subscribers of The National Underwriter for Renewals

Some fast and keen work at Omaha last week resulted in the arrest of a man giving the name of J. Lewis. "Lewis" called on Omaha subscribers to THE NATIONAL UNDERWRITER, pretending that renewals were due on their subscriptions, and collecting the money. He took a check from the C. D. Hutchinson Company, which was made payable to THE NATIONAL UNDERWRITER. He succeeded in cashing that check, but the money was recovered from him when he was arrested. He also took a check from John S. Little, adjuster of the Hartford Fire, in the Farnam building, Omaha. His arrest came when he tried to cash the Little check at a store. He was given a 30-day sentence in the Omaha jail, under the name of Zeimer.

Lewis or Zeimer is entirely unknown to THE NATIONAL UNDERWRITER. No authorized representative of THE NATIONAL UNDERWRITER ever tries to collect the renewal on a subscription. That is a sign of fraud right off the bat. Renewal subscriptions are handled entirely by mail.

On new subscriptions, any authorized representative will accept from a responsible insurance office a signed order, to be paid by mail on receipt of bill.

Mall Pennsylvania Manager

The Pearl Assurance fleet has appointed P. M. Mall, manager of the newly created Pennsylvania department, with headquarters at Philadelphia. Service offices will be opened at Pittsburgh and Harrisburg, each supervised by competent special agents and engineers. Mr. Mall is one of the outstanding fire insurance men of Philadelphia.

Credit Executive Is Speaker

H. H. Heimann Comments on Fire and Casualty Insurance from the Outside Viewpoint at the United States Chamber of Commerce Conference

H. H. Heimann of New York City, executive manager and secretary of the National Association of Credit Men spoke before the insurance division of the United States Chamber of Commerce at Washington, D. C., Tuesday. He said that the total premiums paid by the membership of his organization, which consists of approximately 20,000 manufacturers, wholesalers and bankers, is \$165,000,000 a year for insurance coverage in their own business. Some businesses find that their credit executive checks very carefully the insurance coverage of customers and yet fails to exercise reasonable care as to the insurance protection of his own concern.

Mr. Heimann doubts whether 20 percent of the people who purchase insurance know fully what they are buying and why they are buying it. He said that sometimes he had wondered just how much fire losses would be reduced if over night the fire insurance companies took over every fire department, ran it like a private business and enforced a more constructive side of the service. He said that some of the blame for lack of proper insurance protection must be charged against the insurance companies themselves. The agents, he asserted, too frequently do not sell insurance in all its phases. A good agent, in his opinion, is one of the community's best assets. An insurance order taker, on the other hand, he denominated as a definite liability.

Features of Recent Survey

Mr. Heimann called attention to the recent survey made by his organization. One question asked was, "Has an insurance agent or broker in the last two years made a complete survey or audit of your insurance hazards and policies including inspection of your premises for the purpose of reducing the fire and accident risks and reviewing all of your policies for errors or omissions?" Of the number replying 70 percent said that such a survey had been made. In many cases valuable corrections were made and adjustments put into effect. Where such a survey had been made it was developed that there was an average of 20 percent better protection given at a 22 percent less cost.

The speaker contended that the commissions paid agents which run about 25 percent of the premium fix definite responsibility for service beyond merely the securing of the business and writing the policy. The method of compensating agents, he said, is practically the same as was in existence 50 years ago. Mr. Heimann said, "It may not be out of order to suggest that the companies might study the whole agency setup with the object in view of revising the whole scheme of payments to meet modern conditions."

The speaker said that the National

Association of Credit Men has developed an insurance statement form which makes insurance information easily and efficiently accessible to the manufacturer or wholesaler. The survey brought out the fact that 84 percent of the members of the credit men's body do the actual insurance buying for their concerns.

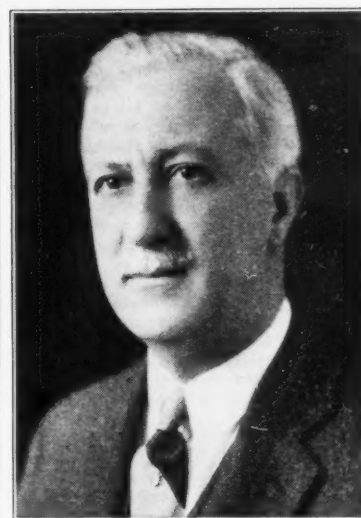
The information elicited from those to whom the questionnaire was sent showed that only 44 percent insure against windstorm. While 52 percent of the manufacturers carry this insurance, only 33 percent of the wholesalers do. Only 39 percent of the manufacturing plants are insured against loss of profits. Of the 61 percent that need but do not carry use and occupancy, only 14 percent replied that they had ever been solicited for this kind of insurance. Very little profits insurance is carried. Explosion insurance, according to the survey, is carried by only 20 percent of the wholesalers, and 40 percent of the manufacturers. Although last year was one of the most strike ridden years in industry, only 29 percent business men carried riot, strike and civil commotion insurance. When it comes to insurance coverage on automobiles used by salesmen, 52 percent had fire and theft, 30 percent collision.

Dust Storm Protection

Mr. Heimann spoke about the dust storms out west and he thinks that this opens a vast field for insurance companies. The companies, he said, should devise some means of insuring against this form of damage. Social insurance is a vital question today in this country. American business, he thinks, is doing much for its employees along this line. Life companies provide group insurance covering against old age, disability and death. These are three of the more

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Presiding Officer



JOHN C. HARDING, Chicago

John C. Harding, of Harding & Lininger, Chicago, western managers of the Springfield F. & M. group, presided this week over the meeting of the insurance division of the United States Chamber of Commerce at Washington. Mr. Harding was reelected one of the insurance directors for a term of two years at this meeting.

To Raise Piedmont Capital

NEW YORK, May 1.—The capital of the Piedmont Fire of Charlotte, N. C., one of the Aetna Fire group, will be increased from \$200,000 to \$500,000, in accord with the program, President W. Ross McCain states, of creating an adequate capital structure for each of the affiliated enterprises. The net surplus of the Piedmont, which Jan. 1 was \$511,731, remains unchanged.

Manager Irish Dies

Wallace Irish, manager of the Texas Inspection Bureau, died at his home in Dallas.

Administration of the New Indiana Code Is Discussed

McCLAIN CALLS CONFERENCE

Agents Must Get New Licenses—Applications Go Out Soon—Common Sense Rules

INDIANAPOLIS, May 1.—A large gathering of fire and casualty field men met Commissioner H. E. McClain here Monday in response to a request sent to all fire and casualty companies operating in Indiana. The new insurance code is designed to help and not hinder the insurance business, said Mr. McClain, in asking for cooperation to make the measure a success. The new law dealing with agencies was reviewed by Mr. McClain. Policies must be countersigned and premiums collected by licensed agents, operating under a commission contract and not salaried. The solicitor is responsible to the agent and the broker represents the insured and must be vouched for by two agents. Interchange of business between agents does not require the taking out of a broker's license. The agent, to qualify for a new license or renewal must not be delinquent in his balances with any company.

"This year," the commissioner stated, "we are going to require a new application for license from every fire, casualty and life agent."

Application blanks will be sent to all
(CONTINUED ON LAST PAGE)

No Insurance on Oregon State Capitol Building

The fact that the Oregon state capitol was burned with no insurance has caused much comment here and there, especially in these days when public revenues are decreased. The building cost \$700,000 when it was constructed and the contents were valued at about the same amount. Oregon has a state fire fund but there is only \$140,000 in it at this time.

P. F. Garnett of the Pacific Board at San Francisco, in a recent book called the "History of Various State Insurance Experiments," has this to say about Oregon.

"In 1923 the state of Oregon carried no insurance on any of its public buildings. On Sept. 17, 1923, destruction of several buildings at the penitentiary housing various industries including the prison flax plant, caused a loss of \$155,000, of which amount \$30,000 was insured, the latter being on machinery and flax fibre and seed.

"It was the third time that the prison flax plant had been destroyed by fire since 1916, the loss in that year being about \$20,000, and in 1920 approximately \$15,000.

"In 1925 the legislature of Oregon created a state fire insurance fund. It stipulated that \$25,000 should be set aside in 1925 and 1926 and \$50,000 annually thereafter until the fund reached \$300,000, when further appropriations should be made only to maintain it at that figure.

"An item in THE NATIONAL UNDERWRITER of Aug. 6, 1931, stated that there was a balance of \$90,000 in the fund and that Governor Meier had declared that the fund was not nearly sufficient."

The fire destroyed many valuable records including those of the state insurance department. Hugh H. Earle of Eugene, Ore., newly appointed insurance commissioner, was just on the point of moving into his office. He will be housed temporarily in the Salem Chamber of Commerce building. Mr. Earle, in addition to acting as local agent at Eugene, represented the United States Fire as a field man in that section.

LEGISLATIVE DIGEST

Ohio—House passes senate bill authorizing superintendent of insurance to administer oaths and compel attendance of witnesses at hearings. The bill also permits the deputy superintendent to take over the duties of the superintendent in case of vacancy or disability. *** The house has passed a bill authorizing an increase in reserves of mutual fire companies to provide eligibility for government loans.

Nebraska—Both houses passed bill increasing the fees for registration, licensing, and examination of statements which will increase the insurance department's income for its own activities by \$15,000.

Only a slight increase in appropriations from the general fund for the Nebraska insurance department is carried in the general appropriation bill just passed by the house.

Oklahoma—The legislature has passed Commissioner Read's measure requiring that the insurance commissioner be appointed receiver for all insolvent Oklahoma insurance companies. It also provides for the appointment by
(CONTINUED ON LAST PAGE)

Illinois Insurance Code Is Still in Lap of the Gods

MANY AMENDMENTS OFFERED

Discussions Will Continue Among the Legislators as to the Merits of the Measure

SPRINGFIELD, ILL., May 1.—Embroided in a bitter fight over relief legislation in the Illinois house of representatives the legislature is not expected to consider the proposed new insurance code until later in the week.

The code was to have come up early this week for amendment and is held on second reading in the house. There are 137 amendments to be considered, most of them being verbiage changes.

The house today is considering passage of a bill to increase the state sales tax, with a long debate in prospect and little or no action is expected on the code.

At the final public hearing before the senate insurance committee, Alvin S. Keys of Springfield, president of the Illinois Association of Insurance Agents, urged amendments that had been submitted to the Lloyds section that were drafted by his organization. He explained that these would put Lon-
(CONTINUED ON LAST PAGE)

Central Hail Department in Chicago Now Operating

HOME CENTRALIZES CONTROL

Bridges Directing New Division at Chicago Covering Many Middle Western States

A central hail department at Chicago, with jurisdiction over a large number of middlewestern and southeastern states, has been organized by the Home of New York group and is now in operation. It has headquarters in the farm department managed by F. H. Cornell, with Assistant Manager L. H. Bridges of that department in executive charge.

The new department coordinates the scattered hail insurance production, underwriting and loss activities of a large number of state agents and general agents, who heretofore reported direct to the New York office. An important factor in the move was the belief that a western office could maintain much closer touch with the hail situation.

Has Large Jurisdiction

Jurisdiction of the central hail department includes Illinois, Indiana, Michigan, Wisconsin, Iowa, Missouri, Tennessee, Kentucky, Minnesota, North and South Dakota, Nebraska, Kansas, Missouri, Oklahoma and Texas, but for the present the department is not active in Michigan, Wisconsin and Arkansas. Most of the hail business in the entire central section of the country is being centralized at Chicago, to which field men in the major portion of this field report.

Mr. Bridges anticipates a large hail insurance business this year. Last year, crop reduction programs considerably reduced values, and prices of farm products were lower. The drought served further to restrict production from farms, which factor, with an expected short crop this year in the drought area of North and South Dakota, Kansas, Texas, western Oklahoma and western Nebraska, is serving to boost values.
(CONTINUED ON LAST PAGE)

Many Notables on Program

Dunham and Blackall, Several Company Officials Address Hartford Institute Gathering

Revival of the Insurance Institute of Hartford a year ago was signalized at a dinner May 1, at which Commissioner H. P. Dunham, who retires July 1, and Senator J. C. Blackall, who succeeds him, spoke. Others on the program are W. J. Graham, vice-president Equitable Life of New York and president Insurance Institute of America; Frederick Richardson, United States attorney and managing director General Accident, and Mayor J. W. Beach of Hartford, in addition to a number of other insurance men. George E. Turner, president First Reinsurance, was toastmaster. The annual meeting preceded the dinner.

In its first year since reorganization the institute has attracted 1,022 students in the fire, inland marine, casualty and surety courses. B. E. Kelley of the National Fire has been president during the last year. John Ashmead of the Phoenix of Hartford, was vice-president of the fire group; H. R. Gregory, Aetna Casualty, vice-president casualty group; H. P. Whalen, Hartford Accident, vice-president surety group John Adams, Hartford Fire, secretary. Jay Smith of the Automobile of Hartford is recording secretary and H. G. Donovan of the Travelers, treasurer.

Senator Blackall will also be guest of honor at aa dinner of state senators May 8. He made one of the important speeches at the Bushnell Memorial at the official opening of the Connecticut Tercentenary.

W. U. A. Committees Named

President E. A. Henne of the Western Underwriters Association announces the standing committees. C. F. Shallcross, North British & Mercantile; George H. Bell, National of Hartford; Robe Bird, American of Newark, have retired from the governing committee. J. A. Campbell, vice-president of the Home, who recently died, has been represented at the last few meetings by President Wilfred Kurth. Mr. Kurth was elected vice-president at the recent annual meeting and ex-officio he becomes a member of the committee as do President Henne and Vice-president A. F. Powrie. J. C. Harding, Springfield F. & M., was reelected chairman of the governing committee this week and S. M. Buck, Fireman's Fund, vice-chairman.

New Members Added

C. H. Smith, assistant western manager of the Hartford Fire, W. H. Riker, manager North America; W. N. Achenbach, Aetna Fire, and W. D. Williams, Security of Connecticut, are new members. J. C. McKown, St. Paul Fire & Marine, replaces President Bigelow on the committee. F. W. Koelckert, Commercial Union, who was a member of the committee ex-officio, being vice-president last year, is now a regular member. The members that hold over are S. M. Buck, Fireman's Fund; H. T. Cartledge, Royal-L. & L. & G. and J. C. Harding, Springfield F. & M. C. R. Street, Great American, is a member of the committee by virtue of his being chairman of the actuarial committee. There are two new committee chairmen, W. K. Maxwell, grievance, and C. W. Ohlsen, general agents.

Personnel of Other Committees

The other committees are:
Arbitration: C. R. Street, Great American, chairman; G. H. Bell, National; Robe Bird, American; S. M. Buck, Fireman's Fund; R. L. Mouk, North B. & M.; E. M. Schoen, Atlas, and A. & J. H. Stoddart, New York Underwriters.

Arrangements: A. F. Powrie, Fire Association, chairman; Robe Bird, J. R. Cashel, Providence Washington; E. W. Hotchkin, Royal-L. & L. & G., and C. W. Ohlsen, Sun.

General Agency Committee: C. W. Ohlsen, chairman; J. C. Harding, Springfield F. & M.; W. K. Maxwell, C. R.

Tuttle, North America, and W. D. Williams, Security.

Finance: W. P. Robertson, North America, chairman; S. M. Buck, J. R. Cashel, W. H. Lininger, Springfield F. & M.; W. K. Maxwell, Hanover.

Fire Protection Engineering: A. G. Dugan, Hartford Fire, chairman; G. H. Bell, J. C. Harding, C. W. Higley, Hanover; C. R. Street, C. R. Tuttle and W. D. Williams.

Grievance: W. K. Maxwell, chairman; Robe Bird, W. H. Lininger, J. H. Macfarlane, America Fore, and H. A. Miller, North America.

Field Organizations and Blue Goose: J. R. Cashel, chairman; E. G. Frazier, Springfield F. & M.; E. W. Hotchkin, D. E. Monroe, Commercial Union; C. W. Ohlsen, John Rygel, Hanover Fire; E. M. Schoen.

Maps: A. F. Powrie, chairman; C. Claussen, London & Lancashire; Hart Darlington, Norwich Union; S. H. Quackenbush, Westchester, and C. R. Street.

Membership: W. H. Lininger, chairman; G. H. Bell, S. M. Buck, H. W. LaRue, America Fore; J. C. McKown, St. Paul F. & M.; W. K. Maxwell and E. M. Schoen.

Public Relations: J. C. Harding, chairman; George C. Long, Jr., Phoenix of Hartford; A. F. Powrie, W. P. Robertson and John Rygel.

Uniform Forms: S. M. Buck, chairman; W. N. Achenbach, E. G. Frazier, Springfield F. & M.; E. W. Hotchkin and J. H. Macfarlane.

Chicago: E. A. Henne, America Fore, chairman; C. R. Tuttle and W. D. Williams.

Cook County Loss Adjustments: C. R. Street, chairman, A. G. Dugan and J. C. Harding.

Cooperation in Loss Adjustment Practices: C. R. Street, chairman; S. M. Buck, R. B. Duboc, Western Fire; H. W. LaRue, Clem E. Wheeler, Hartford.

Inland Marine: George C. Long, chairman; F. R. Bigelow, St. Paul F. & M.; A. G. Dugan, W. R. McCain, Aetna Fire, and Alfred Stinson, Automobile.

Central Traction & Lighting Bureau: J. C. Harding, chairman; H. T. Cartledge, Royal-L. & L. & G.; F. D. Layton, National Fire.

STATEMENT AS OF DECEMBER 31, 1934

ASSETS	
Mortgage Loans	\$ 97,650.00
*Bonds	3,456,030.00
*Stocks	3,889,162.00
Premiums in Course of Collection.....	680,711.83
Interest Accrued	39,301.75
Cash on Deposit and in Office.....	874,957.36
Missouri Premiums Impounded.....	63,661.08
	\$9,101,474.02
LIABILITIES	
Unearned Premium Reserve.....	\$3,836,286.86
Unadjusted Losses	254,537.00
Reserve for Taxes and Other Claims.....	225,000.00
Missouri Impounded Premiums.....	62,828.40
Capital Stock	\$1,000,000.00
Net Surplus	3,722,821.76
†Surplus to Policy Holders.....	4,722,821.76
	\$9,101,474.02

*Valuations on basis approved by National Convention of Insurance Commissioners.
 †On the basis of December 31, 1934, Market Quotations for all Bonds and Stocks owned, this Company's total admitted Assets would be increased to \$9,128,716.02 and Surplus to Policyholders \$4,750,063.76
 Securities carried at \$62,890 in above statement are deposited as required by law.

HARRY H. CLUTIA, President
 THEODORE PLESSNER, Vice Pres. & Treas.
 WILLIAM WILLIAMS, Secretary
 ROBERT L. PARSONS, Secretary
 GARRETT A. GOETSCHUIS, Secretary
 RICHARD W. WETZEL, Asst. Secretary
 CHARLES H. CONKLIN, Asst. Secretary

Incorporated 1897

Northern Insurance Company of New York.

83 MAIDEN LANE, NEW YORK

The TOKIO

MARINE AND FIRE INSURANCE COMPANY, Limited

Established 1879

United States Fire Branch: 80 John Street, New York

J. A. KELSEY, General Agent GEORGE Z. DAY, Ass't Gen. Agent

U. S. Statement December 31, 1934

PREMIUM RESERVE	\$ 1,663,391.29
OTHER LIABILITIES	655,916.16
SURPLUS TO POLICYHOLDERS.....	10,450,430.63
TOTAL ASSETS	\$12,769,738.08

Bonds & Stocks valued on New York Insurance Department Basis. Securities carried at \$623,574.46 in the above statement are deposited in various States as required by law.

Chicago Branch: 175 West Jackson Blvd.

Alfred J. Couch

Manager Brokerage and Cook County Depts.

NEWS OF THE COMPANIES

Contingent Liability Is Off Deviation Filings Are Recalled

Hardware Mutual Fire of Minneapolis Takes Important Step at Its Annual Meeting

At the annual meeting of the Hardware Mutual Fire of Minneapolis the directors adopted a resolution releasing all members from contingency mutual liability, eliminating assessment liability, not only on policies now in effect but those to be issued in the future. R. J. Grant was reelected president and the other officers were also reelected. During the year the assets increased \$831,251, surplus \$307,882 and premiums \$772,135.

A. H. Cheese, vice-president, gave a report on reinsurance transactions; W. H. Birch, underwriting manager, on the experience of the year and G. S. Peick, loss manager, on losses. D. F. Raihle, general sales and advertising manager, presented some facts regarding his end of the business. J. E. Hanson, secretary and treasurer, was elected on the board to succeed the late W. H. Ryan.

Excess Mutual's Lineup

C. Wantas Balis, Jr., manager of the Excess Mutual Reinsurance at Wilmington, Del., which has established offices at 304 Delaware avenue, states that this company has been organized under a guaranteed pooling arrangement among a number of medium sized mutual fire companies for reciprocal reinsurance through automatic excess of loss contracts. It is not making any general solicitation for business outside of pool members.

Completes Stock Purchase

F. C. Harvey has now completed his payment for purchase of the 15,000 shares of stock in the Iowa National Fire of Des Moines, which was held by the receiver of the Fire Insurance Company of Chicago. He has now been given possession of the stock. His final payment was \$50,000 and his total payments were about \$110,000. He is a director of the Employers Reinsurance and was formerly president of the Sentinel Life of Kansas City.

Wisconsin Department Cold to "Moth Insurance" Idea

MADISON, WIS., May 1.—The St. Paul Fire & Marine has asked the insurance department to authorize issuance of policies to protect against loss through damage to wearing apparel by moths. The company would agree to pay any damages that may occur within three years to clothes stored in cedar chests put out by a manufacturer in Sheboygan, Wis. Premiums are to be paid by the manufacturing firm.

The company says similar applications have been approved by the Illinois and Indiana departments. The Wisconsin department has always been opposed to this class of insurance. Commissioner Mortensen said Wisconsin has rejected proposals to insure purchasers of eye-glasses against breakage of lenses. He informed the company of his opposition but said he would submit the request to the attorney general for an opinion. The company representatives indicated they would probably test the question in the courts, in case of adverse rulings by the insurance department and the attorney general.

R. J. Smith, Montezuma, Ia., has received a service certificate from the Hanover Fire, following 26 years' representation, during which time the company had only two losses from his risks.

Central Manufacturers Mutual Is Opposed to Installment Payment for Term Premiums

The Central Manufacturers Mutual and Ohio Underwriters Mutual, both of Van Wert, O., under the Purmort management, notify THE NATIONAL UNDERWRITER that while these companies at one time followed the installment plan in collecting term premiums and filed deviations to that end with the Ohio department, they withdrew these filings Oct. 1, 1929, and since that time the management has worked vigorously to get the mutual companies to discontinue the practice.

Assistant Secretary Paul Purmort, in explaining the reasons for withdrawal of the deviations, says:

"For some time now we have been arranging our affairs in various territories so that all of our business will be on a full tariff basis. One of the first steps taken to attain that goal was the withdrawal of our deviation filed with the Ohio Inspection Bureau permitting term premiums to be collected in annual installments. This filing was withdrawn because we realized the practice was nothing more than one of cutting rates. At the present time all of our business is being written at full tariff rates."

Warrant for Mutual Official

MILWAUKEE, May 1.—A warrant charging E. J. Seiy, former secretary of the Cream City Mutual Fire, with embezzlement of \$2,000 has been issued by the district attorney. According to August Voigt, president of the company, who signed the complaint, an audit of Seiy's books is not yet complete but has disclosed a shortage of \$9,600. He said the shortage may exceed \$10,000.

Miscellaneous Company Notes

The Central Manufacturers Mutual has been licensed in Kentucky.

M. W. Clement, newly elected president of the Pennsylvania Railroad, is a director of the North American.

The Allstate of Chicago, Sears, Roebuck company, has been licensed in Pennsylvania, with Thomas Egan as agent.

Hartford Offices Send Out Letters With Historic Stamps

Last Friday was the official day for the sale of the Connecticut tercentenary special stamp and the sale was only in Hartford. The tercentenary is being celebrated of the founding of the first settlement in 1635. The insurance companies and offices of Hartford evidently used the opportunity to write to agents and friends giving them an opportunity to see the new stamp. There are many stamp collectors in insurance offices and these Hartford letters were received with great gratitude and avidity by the philatelists.

Conklin to Kansas City

NEW YORK, May 1.—United States Manager C. S. Conklin of the Pearl Assurance is going to Kansas City where he will meet Managing Director H. H. Austin, E. H. Minnerve, foreign fire manager; H. B. Taylor, actuary, and W. Godfrey, a director. After a stop in Chicago the party will come direct to this city. The home office contingent has been in this country for several weeks, getting a closeup of underwriting and general business conditions here.

A resurvey of Los Angeles has recently been completed by engineers of the National Board.

COPYRIGHT 1932 BY THE CO. OF NORTH AMERICA

North America Agents offer their clients the prestige of the oldest American fire and marine insurance company (founded 1792), the reputation of the Company's 143-year record of claims settlement and the dependability that goes with financial stability and the Company's impressive Surplus to Policy Holders.

See the North America full page advertisement in the Saturday Evening Post, May 18th; Time, May 20th and Fortune, May issue.

INSURANCE COMPANY OF NORTH AMERICA PHILADELPHIA

*and its affiliated companies write practically every form of
insurance except life*

Founded 1792

Capital \$12,000,000

Surplus to Policy Holders, over \$55,000,000



National Association "Ad" Programs Outlined by Dodge

TALKS TO CLEVELAND BOARD

Theme Will Be "See Your Local Agent at Least Once a Year"—Available for Boards, Agencies

CLEVELAND, May 1.—Albert Dodge of Buffalo, National Association of Insurance Agents executive committeeman, and chairman of the committee on publicity and education, outlined the association's extensive advertising program to the Cleveland Insurance Board. A total of 700 subscribers is necessary to put the campaign in force and 300 have already subscribed. The cooperative material will be furnished exclusively to members.

Mr. Dodge said the campaign is designed to sell the public on stock fire and casualty insurance and the value of the American agency system. The local agent will be the hub or focal point of the program and copy will be based on the theme, "See Your Local Agent at Least Once a Year." The cut-rate appeal, he said, is not so strong today and public recognition of quality can best be secured through advertising. It is up to the agents to sell the public on agency service and its place in the buyer's program.

Details of Program Given

Advertising material is now being prepared by C. E. Rickard of Detroit and will be available for both local boards and agencies. For boards there will be 18 newspaper "ads" of different form and size, 20 spot radio announcements, eight dramatized five-minute radio programs, billboard copy, booklets, folders, blotters and other institutions.

(CONTINUED ON PAGE 29)

Gives Historical Work

Manager S. M. Buck, Fireman's Fund, Collects Valuable Material for the Eastern Department Celebration in Boston

S. M. Buck of Chicago, western manager of the Fireman's Fund group, in his talk at the 50th anniversary banquet, commemorating the founding of the eastern department at Boston this week, presented the manager, C. C. Hannah, an exquisitely bound book on each page of which was pasted some historical document that was extracted from the files in Chicago that Thomas S. Chard, who founded the department, so meticulously and systematically kept.

Former General Agency Firm

Prior to July 2, 1872, Skeels, Bowers & Boughton of New York City were general agents of the Fireman's Fund for all territory east of the Rocky Mountains. Mr. Chard had been connected with this office and at the time of the Chicago fire was the western special agent covering all territory in the central west. Mr. Chard founded the old central department on July 2, 1872, and took over all the territory east of the Rocky Mountains except some eastern states that still were under the jurisdiction of the New York firm. Four years later all the eastern and New England states, and in fact all the territory east of the Rocky Mountains was placed in charge of Mr. Chard at Chicago. This arrangement was maintained until May 1, 1885, when the eastern department was established at Boston.

Material Was Selected From Files

Mr. Buck went over the old files that Mr. Chard kept and extracted therefrom many interesting documents covering the nine years when the central department supervised all the east. Hanging on the wall of Mr. Buck's private office is the commission that the Fire-

man's Fund made out to Mr. Chard when he was appointed manager. It is written by hand and signed by W. J. Dutton, secretary. A photographic copy of this commission is contained in the new book. The various announcements sent out regarding the opening of the new department also appear in the book. Mr. Dutton was in Chicago in April, 1885, and promulgated announcement to eastern agents and Mr. Chard did also. On one of the pages is the financial statement of the Fireman's Fund as of Jan. 1, 1885, showing assets \$1,520,894, capital \$750,000, net surplus \$224,517. There are figures by states in Mr. Chard's own handwriting showing the eastern experience covering several years. There are a number of proofs of loss.

First Typewritten Letter

There is one proof of loss that is interesting as the claim was not paid for nine years, the Fireman's Fund having brought suit which was carried up to the Massachusetts supreme court. A letter signed by John C. Paige of Boston May 25, 1885, he being secretary of the loss committee, tells about the final adjudication. Mr. Paige in making final report on the loss, sent a typewritten letter. Supposedly that was the first typewritten letter that came to the department. In order that there might be no mistake the notation, "stenographic letter" appears at the top.

One of the circulars that Mr. Chard sent out to agents in New York state declared that rates in New York were entirely too low and the business was unprofitable to agency companies. He announced that the Fireman's Fund would not accept any more cut rate business, nor any unprotected risks.

The volume is full of historical matter and will be of special interest to

(CONTINUED ON PAGE 29)

Interesting Features Seen in Whisky Loss at Peoria

Much interest is taken in the adjustment of the National Distilling Corporation blending plant loss at Peoria, the fire having occurred March 16. The loss was adjusted at \$568,172. J. K. Nelson, Western Adjuster; Frank L. Erion, Chicago independent adjuster, and C. W. Seanor, Underwriters Adjusting, were in New York last week coming to a final agreement with the assured. The insurance was placed under general cover with a monthly reporting form. The loss on the burned property was total. The reporting records were found clear, clean and up to date. There will be some 5,000 cases of blended whisky recovered as salvage.

Refuse to Redeem Stamps

One of the interesting features is the loss on scrip stamps that the distillers purchased from the federal government to place on bottles giving evidence that the tax had been paid. A federal government employee keeps these under lock and key in a vault at the plant, he being the only one having access to it, and deals them out as they are wanted. However, the distillers have to buy these in large lots. There were some \$13,400 worth of stamps in the vault that had been paid for but not used. They were somewhat damaged but the federal government refuses to redeem these. The insurance companies, of course, will make a demand and push the case. There are some \$28,000 of state tax stamps, some used and some unused, and it is felt that the state will redeem these.

The building loss was \$162,405 and is being paid to the Penn Maryland on account building, equipment, supplies, etc.

New York Suburban Agents Attack Special Rate Offers

FEAR SPREAD OF PRACTICE

Schwab Reelected President, Other Officers Named at Annual Meeting; Deputy Clark Is Guest

NEW YORK, May 1.—A. L. Schwab of Tompkinsville, Staten Island, was reelected president of the New York City Suburban Agents Association at its annual meeting. Other officers for the coming year are: C. L. Murphy, Huntington (Nassau county), first vice-president; A. L. Kaufman, Haverstraw (Rockland county), second vice-president; C. S. Wagner, Tottenville, S. I., (Richmond county), secretary-treasurer.

Directors are: Nassau county: T. B. Klapper, Garden City; T. H. Darling, Rockville Center; R. E. Thompson, Valley Stream; Queens county: Edward Fries, Jamaica; W. B. Dickinson, Elmhurst; J. J. Drosch, Jamaica; Richmond county: R. C. Hoyt, St. George; Alfred Keller, Stapleton; Rockland county: James Kilby, Nyack; John Gillies, Haverstraw; Suffolk county: A. C. Edwards, Sayville; J. J. Roe, Jr., Patchogue; R. E. O'Donohue, Central Islip; Westchester county: P. A. Murray, Mount Vernon; Franz Siegel, Scarsdale; J. K. Crawford, Mount Vernon.

Offer to School Teachers

C. S. Wagner of Tottenville, S. I., pointed out that a New York City agency, with which is affiliated a former associate superintendent of New York City schools, is soliciting school teachers' automobile business and offering (in addition to the 20 percent off manual which the agency's company offers to all) the inducement that a special classification of teachers would be established to give even a larger reduction in cost if experience should justify it.

Mr. Wagner expressed concern over establishment of such special rate classifications and particularly at its effect on general business if the practice should spread.

T. B. Klapper of Garden City suggested that stock companies might take up the writing of sports liability insurance, about which he had had several queries from prospective buyers.

Deputy Superintendent R. M. Clark of the New York department was guest speaker at the luncheon meeting.

S.E.U.A. to Study Competitive Issue at Hot Springs Meet

NEW YORK, May 1.—At the annual meeting of the Southeastern Underwriters Association at Hot Springs, Va., June 5, and at the gathering of the executive committee the two days preceding, serious consideration will be given a number of questions now uppermost in the southern field. Of primary concern are the alleged unethical practices indulged in by certain member companies in the fierce strife for premium income. The activities of non-affiliated stock offices, a number of which are pushing hard for business throughout the territory, is another issue that must be dealt with as well as the growing aggressiveness of mutuals. The flare-up of the Miami agents, it is anticipated, will have been adjusted before the association convenes. A managerial committee has the matter in hand and feels confident of its ability to reach a mutually satisfactory accord with the Florida representatives.

The Henry M. Light Agency at Streator, Ill., has moved into larger and more commodious quarters in the Barr building. The office has been completely remodeled to fit the requirements of an up to date insurance agency.

This Idea WINS NEW CLIENTS... Holds Old Ones

For those "out of the ordinary" cases, a suggestion showing the advisability of special contracts frequently means the winning of new clients or securing extra business from old clients. Perhaps we can help you with some of these problems. Take advantage of this organization's wide experience in placing unusual contracts not obtainable through the ordinary sources. Policies underwritten by the largest and most favorably known—

UNDERWRITERS
at London, England
OBTAINABLE THROUGH
R.N. CRAWFORD and CO.
INC.
INSURANCE EXCHANGE... Chicago... TELEPHONE WABASH 2637

Fireman's Fund Celebrates Its Eastern Anniversary

BIG JUBILEE DAY AT BOSTON

Officials of the Company and Other
Guests Pay Honor to the
Institution

BOSTON, May 1.—The eastern department of the Fireman's Fund celebrated its 50th anniversary this week with appropriate ceremonies. Manager C. C. Hannah was in charge. President J. B. Levison and Vice-president E. T. Cairns were present from the home office. Vice-president R. V. Goodwin represented the Fireman's Fund Indemnity. Manager McBride spoke for the marine department. S. M. Buck of Chicago, manager western department from which the eastern branch sprang, was present. Manager Bickerstaff of Atlanta, came from the southern department.

New Commissioner Is Guest

The new Massachusetts insurance commissioner, Francis J. De Celles, was a guest of honor at the banquet. Greetings from the National Association of Insurance Agents were brought by F. L. Greeno, Rochester, N. Y., chairman of its membership committee and president New York State association. Others at the head table who spoke were:

State Treasurer C. F. Hurley and H. G. Fairfield, president of Boston Board.

A stirring talk on business recovery problems was made by Carl P. Dennett, national chairman National Economy League and acting chairman industrial advisory committee of first federal reserve district.

Receptions for Agents

Today the observance included an all-day reception to agents of Boston and vicinity and entertainment of out of town agents at golf, major league baseball and sightseeing trips around Boston. At the banquet President Levison, just returned from Europe, touched on important events in the life of the company and its fidelity to ideals and traditions. He paid tribute to the agents whose loyal support made the anniversary possible.

A reception was held the afternoon of Tuesday to a large number of agents from all parts of the territory who journeyed to Boston for the golden anniversary.

First Eastern Branch Manager

The first manager of the Fireman's Fund eastern department was Capt. Charles W. Kellogg, who was vice-president of the Shoe & Leather Insurance Company of Boston. Before that he had served as general agent and western manager for some of the other insurance companies. Captain Kellogg insisted that Boston be the eastern headquarters. The territory consisted of New England, the middle states, District of Columbia, West Virginia and eastern Canada. It had 72 agencies under its jurisdiction. Arthur K. Simpson succeeded Captain Kellogg as manager, he being appointed in 1909 and serving until 1921. He joined the department as special agent in 1887 and later was made assistant manager.

Cairns Becomes Manager

At the end of 1921 Mr. Simpson retired and E. T. Cairns, formerly assistant manager of the North British & Mercantile, became manager. Mr. Cairns is now vice-president of the Fireman's Fund and it was fitting that he be present at the jubilee. He was elected vice-president in May, 1927, and early the next year he was called to the home office. Charles C. Hannah, then assistant manager, succeeded Mr. Cairns. R. H. Goodwin, who had been head of the automobile department, became assistant manager. On Oct. 9,

1930, Mr. Goodwin died and his place was taken by J. F. Crafts.

At the dinner Carl Sturhahn, president of the Rossia, made a presentation of a jeweled salt shaker and cushion from the Romanoff collection used in bread and salt rites of friendship and loyalty.

Old Columbus, Ga., Agency

F. G. Lumpkin, president of the Willcox-Lumpkin Company of Columbus, Ga., who has been in New York City on a visit, made it known that his agency has represented the Hartford Fire for 83 years. Mr. Lumpkin was formerly vice-president of the National

Association of Insurance Agents. His grandfather, Mr. Willcox, founded the agency in 1848. In 1859, Mr. Willcox was one of the founders of the Georgia Home and served as its secretary. The Georgia Home is still in the agency. The Hartford Fire entered the agency on Feb. 1, 1852.

New Office Opened

The new insurance office of Mack & Parker at 208 South LaSalle street, Chicago was visited by a number of friends when it opened Wednesday. The partners are Edward E. Mack and John B. Parker. Mr. Mack had been associated with the Rockwood Company in Chi-

cago since 1922 and is one of the directors of the Chicago Insurance Brokers Association. His grandfather, Samuel E. Mack, was prominent in insurance 75 years ago. Starting in 1859, S. E. Mack was superintendent of the Home of New York in seven mid-west states until his death in 1866. It was in Mr. Mack's office that the late R. S. Critchell, who founded the firm of R. S. Critchell & Co., got his early insurance training.

Mr. Parker has been in life insurance work and recently resigned as agency secretary of the Continental Assurance. Both partners are University of Michigan men and both served in the field artillery in France during the war.

This Company started business



HOW CHICAGO APPEARED IN 1865

70 Years
Ago

The story of the Millers National is linked with the romantic growth of our nation. The conquest of the West began in real earnest in 1865, and Millers National, seated at the crossroads of America, soon swung into full league stride.

In the seventy years following, the Company has built up a nation-wide agency organization, and has achieved national prestige as one of the strongest companies in the fire insurance field.

It has faithfully adhered to its honest purpose of giving prompt and satisfactory service and settlements, and behind its services are fine old traditions grown out of seventy progressive years of experience.

Positive protection . . . Prompt friend-making
payment of claims . . . Good service through sales
helps, broader writing facilities . . . Satisfying
commissions . . . All these things are yours with
the Millers National. Write for complete details
. . . absolutely no obligation.

1865  1935

MILLERS NATIONAL INSURANCE COMPANY • CHICAGO

Seventy Years of Service and Security

NEWS OF FIELD MEN

Wirt Leake Is Now Retiring

State Agent of the North British & Mercantile in Texas Had Extended Career

Having completed 25 years continuous service in the Texas field for the North British & Mercantile group, Wirt



WIRT LEAKE

Leake retired from its service April 30, suitable recognition having been made for his future. One of the best known figures in the field in the southwest, Mr. Leake began his special agency career as representative in Texas, Louisiana, Oklahoma and what was then known as Indian Territory, for the Western and the British America, both of Toronto, in 1896, so continuing for 15 years, when he resigned to become Texas special agent of the North British companies. Later, in appreciation of effective work, he was advanced to state agent. For years Mr. Leake was a leading figure in Blue Goose circles, both in his home state and nationally. After serving five years as most loyal gander of the Texas pond he was elected most loyal grand gander of the national organization in 1927. The territory previously supervised for the North British & Mercantile group by Mr. Leake will now be cared for by State Agent C. J. Williams and Special Agent W. A. Daily.

H. T. and S. T. Johnson Take the G. & R. in Four States

Supervision of four middle western states has been consolidated by the Globe & Rutgers under the brothers Johnson, with headquarters in Chicago. Samuel T. Johnson, Michigan state agent, is moving to Chicago to be associated with his brother, Harry T. Johnson, in handling the territory. He will continue to give particular attention to Michigan and will visit that state regularly. Harry Johnson has been Illinois state agent and under the new setup he will have an enlarged field. In addition to Illinois and Michigan, the Johnsons will handle Missouri and northern Indiana.

Illinois Golf Tournament

The Illinois Blue Goose is sponsoring a golf tournament for the three puddles out in the state and the parent pond in Chicago. The plan is to have each of the puddles and the Chicago group hold elimination tournaments. The Chicago people will hold their tournament at the Mohawk Country Club on Irving Park

boulevard, May 28, the play starting at 1:30 p. m. There will be a dinner in the evening at the club house and the pond will initiate some goslings. John Chickering of the Sun is chairman of the entertainment committee, his associates being James E. Guy, America Fore, and O. S. Peterson, Home.

Mutual Field Club Elects

The 1752 Club, mutual special agents association, at a meeting in Des Moines, elected officers as follows: Gus Scurlock, Town Dwelling House, president; W. K. Stewart, claim attorney, vice-president; N. E. Kyle, Mill Owners Mutual, secretary; Howard Park, Iowa Mutual, DeWitt, treasurer.

Henry G. Kiesler Honored

Henry G. Kiesler was honored at a luncheon given by the St. Louis Blue Goose this week on his 87th birthday. Mr. Kiesler until recently has been an independent adjuster. Previously for more than 40 years he was special agent for the American Central and at one time he was a local agent and banker at Perryville, Mo. A son, E. P. Kiesler, travels Missouri for the Kansas City Fire & Marine.

Wisconsin Auxiliary Elects

Mrs. A. H. Ely was elected president of the Women's Auxiliary of the Blue Goose of Wisconsin at the annual meeting in Milwaukee. Other officers are: Mrs. Emma Rademacher, vice-president; Mrs. J. F. Hamilton, secretary; Mrs. I. E. Frey, treasurer; Mrs. J. E. Snyder and Mrs. W. C. Bradt, members of the executive board. Hostesses for the day were Mmes. C. E. Hayne, T. J. Callan, Jr., and C. H. Dachenbach.

Ohio Field Club Meeting

The Ohio Fire Underwriters Association will hold its May meeting next Tuesday in Columbus. R. C. Atkinson of the Ohio Institute, secretary of the governor's commission on county reorganization, will speak on "The Problems of County Reorganization."

The Ohio Blue Goose will hold its annual meeting in Columbus May 6. There also will be an initiation. Entertainment for the evening will be imported from Dayton.

Morasch With Fireman's Fund

F. H. Morasch, who has been appointed special agent in northern New Jersey for the Fireman's Fund to succeed T. R. Roller, was formerly in the same territory for the Queen. He has established headquarters at the company's service office in Newark.

Sherman Succeeds Roller

Judd Sherman, at one time with the National Union and later the General of Seattle, has been appointed special agent in northeastern Ohio for the Pearl Assurance, Monarch and Eureka-Security, succeeding L. H. Roller, recently resigned.

Missouri Meeting Set

The Missouri State Fire Prevention Association will hold its annual meeting at Plaquemine on the Lake of the Ozarks June 6. The Missouri Fire Underwriters Association will meet the following day at the same place.

Patteson With F. & G. Fire

W. A. Patteson has become assistant special agent of the Fidelity & Guaranty Fire in St. Louis under Earl Shaw. He started with the American Central in 1910 and served that company in several capacities. In 1919 he joined the Muckerman Agency, now the General Insurers, and was in charge

of its fire department until 1928, when he was appointed to handle insurance on the properties of the Missouri State Life. He was with that company for six and a half years. He is a past most wise and powerful meow of the St. Louis court of Cats Meow.

Kansas Meetings in Wichita

The Sunflower puddle of the Kansas Blue Goose will hold a golf tournament in Wichita May 8 in connection with the "splash" being held in Wichita on that date. An initiation will be held in the morning. The pond will hold a banquet the evening of May 7. T. Ray Phillips of Oklahoma City will represent the grand nest.

The Kansas Fire Prevention Association will meet Wednesday and the Kansas Fire Underwriters Association and the Bureau Field Club May 7.

L. G. Bergerom of the legal department of the St. Paul-Mercury Indemnity was a guest of the Sunflower puddle at its Monday luncheon.

Alabama Blue Goose Elects

BIRMINGHAM, ALA., May 1.—At the annual meeting of the Alabama Blue Goose, with several grand nest officials in attendance, C. A. Harris, of Alabama Inspection & Rating Bureau,

Montgomery, was elected most loyal gander to succeed E. G. Darling of the Aetna, Birmingham. More than 100 persons attended the banquet and dance.

Special guests were S. A. Mehorter of Newark, most loyal grand gander; C. P. Helliwell, Milwaukee, grand welder, and J. K. Shepherd, Little Rock, deputy most loyal grand gander at large.

Other officers elected by the Alabama pond are E. M. Phillips, Birmingham, independent adjuster, supervisor; C. G. Key, Home, Birmingham, custodian; R. N. R. Bardwell, Fire Companies Adjustment Bureau, Montgomery, guardian; L. E. Perez, J. L. Davis, Inc., Birmingham, keeper, and E. G. McLin, Godchaux-Meyer, Birmingham, welder.

Wills Talks to Blue Goose

B. G. Wills, vice-president Fireman's Fund Indemnity, who recently returned from a trip to the Atlantic coast, where he visited departmental offices, spoke to the San Francisco Blue Goose on "The Eastern Observations of a Westerner."

Field Notes

The Ohio Fire Prevention Association will inspect Springfield May 14-15. More than 50 members of the Kansas City, Mo., Blue Goose heard Jerry Taylor, radio engineer, talk on "Television and Its Development."

AS SEEN FROM CHICAGO

COOK COUNTY PREMIUMS GIVEN

The Chicago Board has gotten out the Cook County premiums on which it makes assessments. The following are the figures for the groups:

	1933	1934
Aetna Fire	487,567	573,384
Agricultural	120,187	127,999
American, N. J.	306,792	380,454
Atlas	166,194	134,634
Automobile	358,463	388,878
Boston	100,342	112,205
Corroon & Rey	231,896	365,576
Caledonian	174,483	172,169
Commercial Union	315,504	341,400
America Fore	973,205	1,128,811
Dubuque F. & M.	259,209	256,011
Eagle Star	76,323	72,082
Fire Association	329,418	318,950
Fireman's Fund	271,817	349,308
Firemen's N. J.	657,572	762,935
General of Seattle	31,338	25,574
Glens Falls	244,105	260,475
Great American	439,211	435,827
Hanover	151,063	190,536
Hartford Fire	630,828	759,179
Home, N. Y.	1,053,498	1,121,956
North America	776,911	848,473
London Assurance	232,979	249,078
London & Lancas.	588,377	702,330
Merchants, N. Y.	202,666	231,206
National, Conn.	462,470	536,299
Natl. Union, Pa.	96,781	149,054
New Hampshire	91,294	107,181
No. Brit. & Merc.	694,967	713,886
Northern Eng.	161,769	183,684
Norwich Union	89,038	115,735
Pacific, N. Y.	135,700	153,827
Phoenix, Eng.	319,360	318,194
Phoenix, Conn.	528,392	549,946
Providence Wash.	140,577	168,928
Rhode Island	98,416	166,530
Royal Exchange	138,642	178,585
Royal	485,999	513,712
L. & L. & G.	494,597	453,230
St. Paul F. & M.	180,391	215,286
Scottish Un. & N.	235,323	248,195
Security, Conn.	154,151	162,762
Springfield F. & M.	448,761	518,805
Sun	225,446	218,666
Tokio	262,942	336,471
Crum & Forster	475,667	542,054
Pearl Assur.	113,540	179,087

The following are the premiums for the leading companies not attached to a group:

	1933	1934
Buffalo	74,286	75,191
Camden	77,501	44,938
Fidelity & Guar.	136,477	167,035
Northern, N. Y.	98,061	124,637
N. W. National	265,845	377,358
Security, Ia.	74,235	78,289
Standard, N. J.	70,320	68,871
Travelers	169,781	196,704
Western Factory	60,157	16,890

Grand total....\$16,877,144 \$18,922,319

* * *

PRESIDENT GILES IN HOSPITAL

H. M. Giles, president of the Millers National of Chicago, is at the Evanston Hospital, Evanston, Ill., where he is quite ill. Mr. Giles a year or so ago had an operation for gallstones. He

went on a cruise to the Caribbean sea in February and March and returned, not feeling in tip top shape.

* * *

CHICAGO BOARD MEETING

The Chicago Board at its quarterly meeting last week adopted all the amendments to by-laws and constitution which have been proposed to bring the organization in line with the agreement reached with the Western Underwriters Association. There was one amendment which had to do with short rates under certain conditions, which was not passed. The legislation goes to a mail vote and would be effective upon adoption. It is agreed that there will have to be a lot of house cleaning in some of the agencies to swing into line with the new legislation. The date was set forward to July 1 to enable those who are not in gear to get in shape in two months' time.

The legislation provides for a new and greatly increased scale of fines and for the necessary committees on fines and appeals. Fixing of fines for major offenses is delegated to various committees. The limit for miscellaneous violations was increased from \$100 to \$1,000 and for certain specific violations including rebating and paying commissions and brokerage to non-members, from \$1,000 to \$3,000. The limit defined for payment of excess commissions is increased from \$3,000 to \$5,000. Provision is made to appeal findings of the committee on fines and penalties to a committee on appeal. Thence another appeal can be taken to the board of directors and still another to the board as a whole.

Some members feel that the maximum fines are too high for the character of violations; that there should be moderate fines and the penalties then should be strictly enforced. When it comes, however, to paying as high as \$3,000 or \$5,000 many agencies could not afford to meet the bill. The point is made that when a large penalty is fixed on a company it can pay the maximum amount without difficulty, although it might be a hardship on agencies. The subject of maximum fines is likely to come up again. The New York Board recently fined the Travelers and Automobile \$10,000 each for violations, and just recently the collection was waived. Some of the Chicago members use this as an argument for getting the scale down to a more conservative basis.

Carl Claussen, western manager Lon-

don & Lancashire, G. A. Mavon of the agency bearing his name and W. F. Sweazea, North British, were elected on the board, J. R. Cashel, Providence Washington, and J. I. Naghten, head of John Naghten & Co., retiring with the end of their terms. Memorials were read to M. J. Agnew of Osborn & Lange, W. A. Alexander, Hugo Dalmar and W. F. Rollo, who died this year. Most of the amendments adopted were for the purpose of clarifying the by-laws and constitution or eliminating obsolete sections, bringing them in line with the W. U. A.-Chicago Board agreement.

KOMAIKO GETS DECORATION

S. B. Komaiko, 2068 Insurance Exchange, Chicago, head of the office bearing his name, was presented the decoration of chevalier of the cross of the Grand Duke Gediminas of Lithuania at a dinner May 1. The presentation was by Anton Kalvaitis, Lithuanian consul general in Chicago. There were over 300 prominent Chicagoans present. Mr. Komaiko received congratulations from Governor Horner of Illinois and Secretary Ickes. The decoration was accorded for the unselfish work that he did in helping to solve Lithuanian boundary problems after the war. He was born in Lithuania. In 1923 he visited there, discussing minority rights with the then President A. Stuglinski. Mr. Komaiko was director of publicity for the food administration of Illinois during the war and is widely known for his communal work. He was one of the early Zionist leaders in Chicago and was local chairman for a time of the American Jewish Congress. Last year he

served two terms as president of Ramah Lodge, B'nai B'rith.

LEWAND CRITICALLY ILL

Lea Lewand of Chicago, adjuster at the head office of the Western Adjustment, is critically ill with an abscess of the brain. Mr. Lewand has served some of the organizations and is well known in the business. He started as an office boy in the western department of the Girard F. & M.

WRAY WITH NAGHTEN

George A. Wray has joined John Naghten & Co., in Chicago to do production work. He has been in the business in Chicago for 21 years, the last eight with the Louis E. Golan agency in charge of the insurance department. Previous to that he was with Marsh & McLennan for three years and with Byrne, Byrne & Hahn for ten. He specializes in agency and production development.

BULKLEY STOPS IN CHICAGO

President George G. Bulkley of the Springfield Fire & Marine, who has been on a far western trip, stopped en route home last week at the western department in Chicago.

C. W. Higley, president of the Hanover Fire, has been on a trip through the Pacific Coast territory and was at the western department office in Chicago this week.

President F. A. Hubbard of the Globe & Rutgers is on a western trip and radiated out from Chicago this week.

VIEWED FROM NEW YORK

By GEORGE A. WATSON

NEW YORK UNEMPLOYMENT LAW

Insurance companies as well as all other employers domiciled in New York state will have to comply with the unemployment insurance law enacted at the recent session of the legislature and are figuring accordingly. The measure is applicable to all corporations or individuals employing four or more persons, "the greater part of whose work is performed within this state," and who earn a weekly salary of less than \$50, including bonuses or other awards of whatever character. The act creates the "unemployment insurance fund," to which contributions shall be made by employers on and after Jan. 1, 1936, and from which benefits will be paid under defined conditions and for definite periods to persons losing their positions for other than inefficiency or any other good and sufficient reason. The initial contribution to the fund will be 3 percent of the payroll of employees affected.

TO HAVE I. U. B. CONFERENCE

R. B. Martin, chairman of the governing committee of the Interstate Underwriters Board, was authorized at the meeting of the body to appoint a committee not to exceed five to confer with a committee of the National Association of Insurance Agents as desired in a resolution adopted at its meeting in Miami. The agents' committee is composed of Kenneth H. Bair, A. J. Smith of New York and Lyman Drake of Chicago. Over four years have elapsed since a joint conference between the managers and the local men was held.

CLARK VISITS HIS OFFICE

Vice-President Montgomery Clark of the Hanover Fire, who has been seriously ill at his home at Mt. Vernon, N. Y., since Jan. 20 with a streptococcal infection was able to go to his office for the first time this week, staying only an hour. Mr. Clark has had a long siege.

LITTLE OUTSIDE COMPANY LOSS

From advices received thus far the only financial interest American fire companies have in the earthquake that caused such loss of life in Formosa

April 20, is \$10,000 as reinsurance on certain sugar warehouses on the island, and these apparently were but slightly damaged. As a province of Japan, foreigners are not welcomed in Formosa, all business being controlled by and for Japanese interests. Japanese insurance companies are forbidden by law from assuming the earthquake hazard anywhere throughout the country. Nor can foreign corporations write the business, and thereby secure a competitive advantage over home institutions. Some of the business houses in Japanese cities take out earthquake covers, but all such contracts are effected abroad. When the great earthquake occurred in Yokohama several years ago, the damage running into the millions, the Japanese government advanced sums to the home companies with which to pay from 2 to 10 percent of their claims.

Van Schaick Asks Company Views on Using Arbitration

Superintendent Van Schaick is asking all life, fire, marine and casualty companies in New York to give an expression of opinion as to their attitude on the use of arbitration procedure as a means of settling insurance controversies without litigation. In a letter to the companies Mr. Van Schaick refers to the large aggregate cost of defending and settling small cases. He points out this has an effect upon the cost of insurance and states that a more general use of arbitration would result in the lowering of premium rates and would be amply justified on that ground alone.

Conference Is Held As to Pro Rata Reduction Rule

(CONTINUED FROM PAGE 2)

finer, could not be considered, managers holding state laws would prevent any such practice. The third recommendation of the agents that return premiums due under the rule be held until the expiration of the policy, also failed to meet approval, counsel having advised such procedure would be illegal.

C G M SERVICE

Capacity—Plus

The facilities of the following companies are available to agents in Indiana:

AMERICAN EQUITABLE ASSURANCE COMPANY

Rated "A"—Excellent

INDIANA INSURANCE COMPANY

Rated "A"—Excellent

MANHATTAN UNDERWRITERS AGENCY (TOKIO)

Rated "A"—Excellent

NEW YORK FIRE INSURANCE COMPANY

Rated "A"—Excellent

PACIFIC NATIONAL FIRE INSURANCE COMPANY

Rated "A"—Excellent

STANDARD INSURANCE COMPANY OF NEW YORK

Rated "A"—Excellent

SWITZERLAND GENERAL INSURANCE COMPANY

Rated "A"—Excellent

Inquiries invited for agency appointment in Indiana.
Liberal Commissions

Cooling Grumme Mumford Company

8 East Market St.

INDIANAPOLIS

Riley 6452

STATEMENT of

AMERICAN RESERVE INSURANCE COMPANY

December 31, 1934

ASSETS		LIABILITIES	
Cash on Hand and in Banks	\$ 333,957.26	Premium Reserve	\$2,067,082.21
Bonds and Stocks	3,249,918.47	Reserve for Losses	213,177.00
Collateral Loan	25,000.00	Reserve for All Other Liabilities	24,000.00
Balances with Ceding Companies (not over 90 days due)	256,595.35	Special Reserve	115,000.00
Funds held by Ceding Companies	549,538.39	Capital	\$1,000,000.00
Mortgage Loans	2,110.13	Net Surplus 1,018,327.23	
Interest Due and Accrued	20,466.84		
	\$4,437,586.44		\$4,437,586.44

Securities carried at \$177,383.35 in the above statement are deposited as required by law.

THOMAS B. BOSS, President
E. L. MULVEHILL, Vice President & Secretary
R. H. LONG, Secretary
H. E. BECKER, Treasurer

FIRE REINSURANCE

THE NATIONAL UNDERWRITER

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False Economy in Insurance

WE HAVE had two recent interesting cases of false economy in the handling of public affairs. Last week the Oregon state capitol at Salem was destroyed by fire. The value of the building was put at \$700,000. The contents of the building were badly damaged and perhaps important records were destroyed. The contents loss will just about reach the building figure. The state carried no insurance on the building and had only \$140,000 in a special fire fund of its own for all state property. A state like Oregon has no opportunity of securing an average on its own buildings, especially where it has a structure like the capitol that is very valuable. It is false economy for public administrators to endeavor to save on insurance. This is particularly true these days when the public is clamoring for

lower taxes. There have been numerous examples of the folly of such a course.

Some weeks ago the Saginaw, Mich., city hall was destroyed. The loss was \$150,000. There was \$86,000 insurance carried on the building and \$1,500 on contents. The citizens in Saginaw voted last year to impose a 15-mill property tax limitation, therefore cutting down the tax income. Saginaw, therefore, is confronted with a truly embarrassing situation in that it has not sufficient money from its insurance to build an adequate city hall and its tax income has been reduced to a point where it cannot secure public revenue to do this. While Saginaw insured its city hall, it only carried about half the amount that it should. This is another example of false public economy.

Not New Frontier for Insurance

EXECUTIVE SECRETARY HEIMANN of the NATIONAL ASSOCIATION OF CREDIT MEN, in his address before the insurance division of the U. S. CHAMBER OF COMMERCE this week, in pointing to the fact that the recent dust storms created much property damage and gave it as his opinion that this opened an opportunity for insurance companies to bring out some form of coverage that would indemnify people against such loss.

In a picturesque way he stated that while the frontiers for business are supposed to be far more restricted than in the past yet this might be regarded as a new frontier opening to insurance. Insurance men do not regard dust storms

as a practical insurable subject. They probably are in the same category as floods. They occur in well defined but limited sections. To be successful and to develop accurate experience for insurance there must be a wide range of territory so that a general average can be gotten. In the dust stricken areas there would be a big market for this insurance. In other sections no one would buy it. Where streams chronically overflow there is a demand for flood coverage, but not elsewhere. There are certain to be losses in these hazardous sections. Underwriters therefore would not regard the dust areas as a new frontier for insurance.

Sweeping Out "Gus Gloom"

DR. W. A. GRANVILLE, director of publications of the WASHINGTON NATIONAL of Chicago, in one of his happy epigrams says, "Take a broom and sweep out Gus Gloom." We have entirely too much depressing conversation and gloomy talk these days. It seems to be a constant habit of many people to look for something that is dull and destructive. They read in their daily papers some items that appear to them to be discouraging and their minds soon

become permeated with gloom. Not long ago a life insurance general agent made a pact with his agents that for two weeks they would not read a daily paper. Therefore they did not know what was going on. They did not study the stock market, were not regaled with news that caused one to be downcast. As a result they kept their minds comparatively free from dark and foreboding thoughts. During that period their business increased.

PERSONAL SIDE OF BUSINESS

Donald Earl Young, a bright youngster, tipping the scales at 9 pounds and 14 ounces, has appeared at the home of State Agent Robert O. Young of the North America fleet in Grand Rapids, Mich. This is the second child in the Young family.

A. W. Mellor, Iowa state agent New York Underwriters, Des Moines, underwent an operation at Rochester, Minn., Saturday.

A. C. McDavid of the Perry & McDavid agency, San Antonio, Tex., who has been secretary-treasurer of the San Antonio chapter of the Sons of the American Revolution since its inception ten years ago, has been elected vice-president for Texas. He traces his descent to three soldiers of the American Revolution. Mr. McDavid has just been admitted to the bar.

Harry Benner, assistant manager of the Great American and Phoenix of Hartford in San Francisco, was guest of honor at an informal dinner May 1 in recognition of his 45th year with the Great American and his 37th year with the Phoenix of Hartford. He was presented a handsome oriental rug.

H. E. Maxson, vice-president of the America Fore group and manager of the New York City metropolitan department, plans a trip to Europe in the early summer. As a youngster Mr. Maxson started his insurance career with the Equitable F. & M. of Providence, later going into the field as special agent. In 1909 he became special agent in eastern New York for the Continental, and some years thereafter was called to the head office in New York to fill an official post. He takes pardonable pride in his New England ancestry, one of his forebears being the first child born in Rhode Island, then known as the Providence Plantations.

Frank E. Woods, Michigan state agent of the Sun group, has returned to his field after a month's sojourn at Hot Springs, Ark.

C. B. H. Loventhal, well known local agent of Nashville, recently completed 100 weeks of consecutive production for the Northwestern Mutual Life. The record is unusual because Mr. Loventhal's activities are divided between life insurance, the general insurance business and a multiplicity of outside activities.

The Spann Company has represented the Liverpool & London & Globe in Indianapolis for 75 years and company representatives, including three from New York, gathered at a dinner there in honor of the occasion. Representing the agency were B. D. Duck, president, C. C. Duck, secretary-treasurer, and Harry Warner, manager of the insurance department. M. H. Grannatt, assistant United States manager, on behalf of the company presented the agency a framed testimonial and a Westminster chime clock. C. D. Minor, manager special service department, and W. H. McGurk, assistant manager automobile department, were also present from the New York office, and W. H. Ellis and G. G. Jones from the Chicago office. R. C. Walker, Indiana state agent Liverpool & London & Globe, and P. J. Mangan, state agent, and E. R. Hubbell, special agent Royal and Queen, were the Indiana field representatives of the group. The Spann agency has remained under management and control of the Spann family since its organization, B. D. Duck being a son-in-law of one of the founders.

Robert J. Pittelkow of the Chas. Pittelkow & Son Agency, Milwaukee, has been spending the past month in Tucson, Ariz., and is at present touring California. During his absence the offices

of the agency were moved to new and larger quarters in the Guaranty building.

The late J. J. McDonald, for many years western manager of the Continental and then the Connecticut Fire, was called to mind this week when the newspapers announced that his son, Stewart McDonald, assistant federal housing administrator, will be in active charge of the department during the leave of absence granted James A. Moffett, who will be on a furlough for three months. Mr. McDonald has been an executive administrative officer under Mr. Moffett since last September. He was a former manufacturer in St. Louis, being head of the concern that manufactured the Moon automobile. At one time he served as police commissioner of St. Louis and was an officer of the St. Louis Chamber of Commerce.

George A. Roberts of St. Paul, state agent of the Detroit Fire & Marine in Minnesota, one of the veterans in the field, was found dead in his garage last Friday. He was 77 years of age and still was active. He belonged to the old guard. In 1915 a number of the Minnesota field men organized the Pee-Quack-Osh-Tay-Gwon. This was an Indian organization composed of field men who had worked in Minnesota for 10 years. There were 34 charter members at that time. Mr. Roberts was the war chief at the time of his death.

Mr. Roberts was born in Yorkshire, Eng., July 12, 1858. He went to St. Paul from Montreal in 1898 as special agent of the Citizens. In 1900 he became state agent for the Detroit Fire & Marine, traveling in Minnesota and Wisconsin. Four years ago he was given only Minnesota. He was one of the charter members of the Minnesota Blue Goose. He was always a courtly gentleman and was known affectionately in the field as "King George." Three daughters survive, two living at home and one married, having two children.

Funeral services were held Monday at St. Clement's Episcopal Church, Mr. Roberts having been senior warden there for seven years.

John Marshall Jones, president of the Haines-Rankin Insurance Agency of Savannah, Ga., and Miss Lyla Brown of Burlington, N. C., were married last week in Burlington.

M. E. Bristow of the Virginia insurance department is walking with crutches due to an automobile accident in which he was involved last week.

Bruce Dodson, manager of the Kansas City reciprocal that bears his name, has purchased the 140-foot yacht "Bidou" from James A. Moffett, director of the F.H.A. The yacht, which carries a crew of 15, has been anchored in Biscayne bay, Miami, Fla. With a party, Mr. Dodson embarked for a cruise of the Bahamas. Mr. Dodson owns and travels in his own airplane.

R. E. Vernor, head of the fire prevention department of the Western Actuarial Bureau, is not only a preacher of fire prevention, but has a special talent for putting out fires single and bare-handed. Last Sunday, while driving into Detroit, he observed smoke coming from a window of a house in Bloomfield Heights, Mich. Investigating, he found that no one was home and that a fire which had apparently been smoldering for several hours, was then becoming more active and was attacking the woodwork near the window. There was a pile of ashes nearby and Mr. Vernor, sacrificing a new made-to-order suit, proceeded to throw the ashes through the window and at last smothered the blaze. By the time the fire department arrived, the fire was extinguished and Mr. Vernor went his way, covered with ashes, but in a good cause.

TWO SALES PROMOTION PIECES

FOR
"AMERICA FORE"
AGENTS

What of tomorrow

WHEN THE UNEXPECTED HAPPENS

property interests, your personal possessions, the family — in fact — all that you hold worth while, revolves there. Yet in the space of a few ticks of the clock, all

IN THE STRONG COMPANIES OF THE AMERICA FORE GROUP

Are you sure that you have taken every reasonable precaution against the hazards which threaten the even flow of your business? In the factory there are production schedules to be met; in wholesale and retail trade orders must be filled and the customer served. "Business

Just off the press! A new booklet — "When The Unexpected Happens" — describes the various types of fire and casualty insurance needed by the merchant, manufacturer and business man.

This and the booklet "What of Tomorrow?" describing insurance protection available for the individual and home owner are examples of the quality of advertising and sales helps America Fore provides for its agents.

Copies of these will gladly be sent any agent upon request.

PROVED BY THE ACID TEST OF TIME

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THE CONTINENTAL INSURANCE COMPANY
AMERICAN EAGLE FIRE INSURANCE COMPANY
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Eighty Maiden Lane,



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NIAGARA FIRE INSURANCE COMPANY
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New York, N.Y.

NEW YORK CHICAGO SAN FRANCISCO

ATLANTA DALLAS MONTREAL

FIRE INSURANCE NEWS BY STATES

MIDDLE WESTERN STATES

Interpretation of Agreement Peculiar Problem at Saginaw

Governing Committee Elucidates the Contingent Commission Provisions in St. Louis Agency Contracts

ST. LOUIS, May 1.—The St. Louis Fire Underwriters Association has been informed that the governing committee of the Western Underwriters Association has made the following interpretation and restatement of certain paragraphs of the St. Louis contingent commission agreement and similar agreements in Detroit and Milwaukee. The changes which relate to paragraphs (d) and (e) are as follows:

"It is agreed that at the expiration of the contingent year, the company will, within a reasonable time, make up a contingent account according to the formula on the first page of this agreement, and on request, will remit to the agency (all premiums for the contingent period being paid to said company and not otherwise) the amount found to be due, if any. No charge for contingent due or claimed shall be made in the agency's account without specific authorization from the company.

"Should the agency and/or this agreement be terminated at or prior to the expiration of the contingent year, the contingent commission is not to be computed until the end of the full contingent year, and then according to the formula on the first page of this agreement; and it is agreed that the agency shall be permitted to continue the contingent period for one additional contingent year and shall be entitled then to any further contingent commission computed according to the formula on the first page of this agreement.

"However, in consideration of a final settlement at the end of the contingent year in which the agency is terminated, the agency shall, in the computation of contingent commission, according to the formula on the first page of this agreement, be entitled to a reduction of 50 percent in the premium reserve charge (Item 1, Debits) and shall then have no further claim on the company.

"From this you will see that at the time of the termination of an agency the agent may elect to run off the reserve with which he is charged by continuing the contract for another year, or a final settlement may be made with him on the basis of reducing the reserve with which he is charged 50 percent."

Ohio Qualification Measure Now Covers Smaller Cities

COLUMBUS, O., May 1.—Two amendments were made to the agents qualification bill by the Ohio house before it was finally passed, after once having been defeated. One of these requires that applicants for licenses must be examined within 30 days. The other makes the law apply uniformly throughout the state. Originally, an effort had been made to make it optional with the superintendent of insurance as to whether or not applicants in towns of less than 2,000 population should have to undergo an examination. It is understood that the Ohio division of insurance intends to prepare about 200 questions and will submit any 50 of these in an examination. The questions will be of the yes or no character. It is proposed to hold the examinations in the state colleges in various sections of the state. The law will apply only to new applicants for licenses to write insurance. The senate will have to consent to the amendments made by the house and the bill be signed by the governor before it becomes a law.

Fire Fighting Facilities Are Greatly Handicapped Through Policy of Harsh Municipal Economy

Saginaw, Mich., is confronted with an embarrassing problem with regard to its fire fighting facilities. Last year at election the citizens imposed a property tax limitation of 15 mills, thus cutting down the income from that source. The city hall burned some weeks ago at a loss given at \$150,000. There was \$86,000 insurance carried on the building and \$1,500 on contents. Thus the city will not be able to rebuild its city hall to anything like its former proportions because it was under insured and there is not sufficient tax income to make up the difference. It will be necessary undoubtedly to rent quarters for city offices.

While the loss ratio has been unfavorable in recent years, the fire department has done excellent work, considering its handicaps. Owing to the less income from taxes the city is not able to provide sufficient firemen or to replace equipment that is now out of date and often breaks down at crucial moments. The mayor is endeavoring to cut down still further fire department expense. The Young Men's Civic Association has sent a petition to the city council demanding an increase of 15 percent in the fire department budget. Local agents request that the fire department personnel be restored to the 1930 basis and three new pieces of apparatus bought.

Agents of Duluth Are Hosts

Commissioner Yetka of Minnesota Was Given a Complimentary Dinner—Number of Guests Present

The new Minnesota insurance commissioner, Frank Yetka, was the guest of honor at Duluth last Friday evening, his hosts being the members of the Duluth Underwriters Association, who comprise about all the stock insurance agents in the city. There were also invited guests consisting of members of the Duluth fire prevention committee, a number of the local adjusters, officials of the General Inspection Bureau, Duluth Chamber of Commerce and other institutions. There were over 100 in attendance. Commissioner Yetka was accompanied by Dewey Johnson, his first deputy.

F. S. Compton, president of the Duluth Underwriters Association, acted as toastmaster. In addition to Commissioner Yetka, Robert Zuger of the law firm of Abbott, MacPherran, Dancer, Gilbert & Doan; C. F. Liscomb of Duluth, a member of the executive committee of the National Association of Insurance Agents; H. A. Clark of the Duluth Chamber of Commerce and others spoke. George V. B. Hill of Minneapolis gave a talk on the status of insurance legislation in the state at present.

Indiana Gets the New Rules

Supplemental Contract, Merchandise and Fixture Form Authorized—Response in Field Is Good

The new rules extending the supplemental contract for use in connection with practically all risks and embracing the improved merchandise and fixture form became effective Wednesday of

this week in Indiana. The so-called pro rata term privilege for schools, religious institutions, etc., is not made available in Indiana.

The response from the field indicates that these new rules are most popular and are being utilized to the utmost by alert agents. Some observers feel that the changes represent the most forward steps that have been taken in the west for many years.

Some of the companies are capitalizing on the new rules. The Royal-Liverpool group, for instance, for the past two weeks has been conducting meetings of agents in Ohio, Illinois, Indiana and Michigan, states in which the rules are now effective.

An example of apportionment under the merchandise and fixture form is presented herewith:

Total Ins. = Specified Amt. of Ins. + Specific Ins.	
Value at close of Month	
X Value at time of loss less Specific Insurance.	
Apr. 30 value, \$100,000.	
May 25, Specified Amt. of Ins., \$50,000.	
Specific Ins., \$50,000.	
Loss May 25, value \$200,000.	
Total Ins. = \$50,000 + \$50,000	
	\$100,000
X \$150,000 = \$150,000 (total insurance merchandise form).	
Thus the loss is apportioned:	
Specific Ins. (\$50,000) pays—	\$50,000
Merchandise Form	\$200,000
(\$150,000) pays—	\$150,000
	\$200,000

Illinois House Hearings on Two Important Bills Set

The Illinois house committee has set a hearing for May 7 at 2 p. m. for the following bills:

H. B. 751, to amend section 12 of an act entitled "An act in relation to the investigation and prevention of fire and dangerous conditions in and near buildings and other structures," approved June 15, 1909, as amended.

H. B. 752, to provide for the organization, regulation, supervision and licensing of rating organizations, boards, bureaus, associations and corporations promulgating rates and effecting rules and regulations for fire and casualty companies, to prohibit discrimination in rates, to provide penalties for violations and to make an appropriation therefor.

Signal Honor Is Paid to Retiring Michigan Deputy

LANSING, MICH., May 1.—Ralph M. Wade, second deputy insurance commissioner, who is leaving soon to become comptroller of the Michigan Mutual Liability, Detroit, was honored at a testimonial dinner attended by more than 100 insurance men of all classes. An engraved sterling silver pitcher was presented by his long-time associate, R. M. Morse of the department's licensing division. F. H. Ellsworth, president Michigan Surety and former commissioner, was toastmaster. Commissioner Ketcham was unable to be present on account of a previous engagement to speak before the Michigan Insurance Federation at Detroit.

Speakers included O. S. Atwood, secretary of state; H. B. Corell, deputy commissioner; C. E. Gauss, former commissioner; Z. C. Goodell, Lansing agent, who read a letter from James Victor Barry, former commissioner and an outstanding figure in insurance circles for many years; Col. Clarence Hatch, vice-president Michigan Mutual Liability; J. Alfred Grow, Detroit, president of the Michigan Association of Insurance Agents, who noted his own paradoxical position in congratulating a mutual competitor on its acquisition of

a highly competent official; J. F. Horton, Detroit, Michigan manager Aetna Life group; E. P. Magee, Canada Life, spokesman for life agents; Frank Wahl, vice-president Auto-Owners, Lansing; C. C. Austin, secretary Wolverine; George Minskey, manager Mill Mutuals Agency, Lansing; Clyde B. Smith, former president National association, and present head of the Lansing association; J. E. Reault, chief examiner and actuary of the department, who expressed Mr. Wade's departmental colleagues' regret at his departure; A. S. Cowlin, Detroit, manager of the recently established Michigan branch of the National Council on Compensation Insurance; B. L. ("Bud") Hewett, Boston and Old Colony field man, representing his father, western manager of those companies; George MaDan, insurance accountant; Col. John Boer, labor department; W. S. Carpenter, former director of the state welfare department and mentioned as a possible successor to Mr. Wade, and William Lambert, father of Selwyn Lambert, head of the Agricultural Life, Detroit.

Binder on Madison Schools

MADISON, WIS., May 1.—The board of education has voted to take a 30-day binder with privilege for another 30-day extension on the \$344,000 fire insurance on public school buildings which expired April 25, pending further working out of a plan to carry part of the school insurance as a self-insurer and place the remainder with old line companies. About twice the amount of insurance expiring now will expire in September.

L. G. Lindstrom, president Madison Insurance Board, appeared on behalf of local agents to argue against the plan. He presented statistics to show that most self-insurers are again returning to old line insurance protection. He declared it would take at least 15 years to bring the proposed fund to such a size that it could even cover a comparatively small loss.

J. C. O'Connor to Speak

J. C. O'Connor, manager of the "Fire, Casualty & Surety Bulletins" of THE NATIONAL UNDERWRITER, will speak before the Cincinnati Fire Underwriters Association May 9 on "Handling Special Fire Risks." He will touch on use and occupancy, rent, profits and the new merchandise and fixture form.

Shortage in Southern Illinois

The strike of union employees of the Illinois Power & Light Corporation has created a serious fire hazard situation in many southern Illinois communities as a shortage of electric power would make it practically impossible to pump a sufficient volume of water for fire fighting purpose. In many of the towns and cities there is barely enough water for domestic purposes and consumers have been asked to curtail water demands.

Ohio District Conferences

The Ohio Association of Insurance Agents, is arranging a series of nine district conferences to be held in May and June. Afternoon sessions will be held with a dinner following. In three districts of the state, nominations for trustees will be made.

Rate Case Is Prolonged

Decision in the Missouri rate case in the federal court, whereunder the companies are seeking authority to charge an increased rate of 16½ percent, is deferred until next fall as a result of ruling just handed down by the federal court in Kansas City.

The ruling held that the companies could not continue their litigation in the

LOYALTY GROUP

FIREMEN'S INSURANCE COMPANY OF NEWARK, NEW JERSEY

ORGANIZED 1855

80 YEARS IN BUSINESS

Surplus to Policyholders, Dec. 31, 1934, \$16,006,502.99

(Securities at Market Value)

THE GIRARD FIRE & MARINE INSURANCE CO.

Organized 1853

Surplus to Policyholders Dec. 31, 1934

\$2,087,058.35

Securities at Market Value

82 YEARS IN BUSINESS

THE MECHANICS INSURANCE COMPANY OF PHILADELPHIA

Organized 1854

Surplus to Policyholders Dec. 31, 1934

\$935,329.77

Securities at Market Value

81 YEARS IN BUSINESS

NATIONAL-BEN FRANKLIN FIRE INSURANCE CO. OF PITTSBURGH, PA.

Organized 1866

Surplus to Policyholders Dec. 31, 1934

\$1,932,062.99

Securities at Market Value

69 YEARS IN BUSINESS

THE METROPOLITAN CASUALTY INSURANCE CO. OF NEW YORK

Organized 1874

Surplus to Policyholders Dec. 31, 1934

\$1,796,718.88

Securities at Market Value

61 YEARS IN BUSINESS

HAZARDS INSURED

Fire and Lightning
Sprinkler Leakage
Tornado—Windstorm
Ocean and Inland Marine
Tourist Baggage
Riot and Civil Commotion
Explosion
Parcel Post
Loss of Use
Earthquake
Aircraft
Automobile—All lines
Personal Accident
Health
Group Disability
Plate Glass
Burglary, Theft and Larceny
Hold-up—Robbery
Blanket Residence
Public Liability—All Lines
Contingent Liability
Elevator Liability
Elevator Property Damage
Golf and All Sports Liability
Products Liability
Professional Liability
Malpractice
Check Alteration and Forgery
Fidelity Bonds
Surety Bonds

GROUP LOSSES PAID

Over

Four Hundred Million

\$429,842,318.00

MILWAUKEE MECHANICS' INSURANCE COMPANY

Organized 1852

Surplus to Policyholders Dec. 31, 1934

\$5,005,480.77

Securities at Market Value

83 YEARS IN BUSINESS

SUPERIOR FIRE INSURANCE COMPANY

Organized 1871

Surplus to Policyholders Dec. 31, 1934

\$2,081,259.40

Securities at Market Value

64 YEARS IN BUSINESS

THE CONCORDIA FIRE INSURANCE COMPANY OF MILWAUKEE

Organized 1870

Surplus to Policyholders Dec. 31, 1934

\$2,243,727.39

Securities at Market Value

65 YEARS IN BUSINESS

COMMERCIAL CASUALTY INSURANCE CO.

Organized 1909

Surplus to Policyholders Dec. 31, 1934

\$2,022,134.99

Securities at Market Value

26 YEARS IN BUSINESS

WESTERN DEPARTMENT
144 Rush Street
Chicago, Illinois

CANADIAN DEPARTMENT
461 Bay Street
Toronto, Canada

EASTERN DEPARTMENT

10 Park Place
NEWARK, NEW JERSEY

PACIFIC DEPARTMENT
220 Bush Street
San Francisco, Cal.

SOUTH-WESTERN DEPT.
912 Commerce Street
Dallas, Texas

AGE—EXPERIENCE—GOOD FAITH—PERFORMANCE—SOUND INSURANCE PRINCIPLES

federal court until they had satisfactorily shown that refunds had been made to policyholders of the excess premiums collected from 1922-29.

That means that the companies will now be required officially to advise the federal court of the refunds that they have made upon order of the state court. The companies recently have been making an accounting of excess premiums that were not refunded previously because of inability to locate the former policyholders. That hitherto unrefunded portion is being turned over to the state authorities. The federal court had not been officially advised of that action and that formality will have to be performed with the result that the decision will be put over until fall.

Flying Squadron Ends Trip

The flying squadron of educators from the head office of the Royal-Liverpool groups is completing its mid-west circuit this week with a meeting for agents in Battle Creek, Mich. On Tuesday there was a meeting at Peoria, Ill., which was attended by about 125 agents. Previously meetings had been held in Columbus, Cincinnati and Indianapolis. Those from the head office on hand include H. C. Conick, assistant United States manager; E. W. Hotchkin, western manager; F. S. Dauwalter, assistant western manager; W. L. Falk, brokerage department; J. P. Mayer, marine; W. J. McGurk, automobile; J. L. Earhardt, automobile, and C. D. Minor, special risk.

McClain Schedules Meetings

Commissioner McClain of Indiana has announced dates for the series of meetings for fire and casualty agents throughout the state, at which he will explain the new insurance code and answer questions, as follows: Marion, May 6; Muncie, May 8; Indianapolis, May 15; New Albany, May 17; Evansville, May 22; Terre Haute, May 23; Fort Wayne, May 28; Gary, June 5; Plymouth, June 6; Columbus, June 12; Madison, June 14; Lafayette, June 18. On each of these dates a similar meeting will also be held for life insurance men at another hour.

Maintain Grand Rapids Stations

GRAND RAPIDS, MICH., May 1.—Grand Rapids will continue to operate all 12 of its fire stations despite the economies throughout the city government necessitated by adoption of the so-called "15-mill" property tax limitation, according to tentative figures contained in the new city budget. Under the schedule proposed the fire department budget is to be reduced by \$34,000 to \$421,000. Personnel will be reduced drastically, firemen already having been dismissed, a few at a time, for some months.

Cleveland Board Frolic

CLEVELAND, May 1.—At the annual Insurance Board Frolic and Minstrel Show May 4, W. P. Harvey and A. Davis Gale IV of the Gale Co., Victor Goodman of the Everts-Tremaine-Flicker Co., and David Charlesworth of the Sherwood Agency, will be end men; John Kysela of the Kysela Co., interlocutor. The talent is taken entirely from local insurance ranks.

Hold Travelers Fire School

A two-session school of instruction for Travelers Fire agents was held in Terre Haute, Ind., arranged by A. B. Smillie, Indiana manager. W. R. Caskey, Indiana special agent, presided at the afternoon session, while Mr. Smillie was in charge in the evening. T. J. Butler, superintendent of agencies, was present from the home office. Other similar meetings are planned.

Ketcham Kalamazoo Speaker

KALAMAZOO, MICH., May 1.—Importance of the insurance business to Michigan was emphasized by Commissioner J. C. Ketcham in an address before 250 insurance men of all classes

at a dinner sponsored by the Kalamazoo Association of Insurance Agents, Kalamazoo Fire & Casualty Underwriters Association and Kalamazoo Association of Life Underwriters.

He predicted improvement in the insurance field but said it would not be "through any magic at Washington or any magic at Lansing but through new and greater effort."

W. R. Bryant, general agent North-

western Mutual Life and president of the life underwriters, presided.

Reed Suit Dismissed

At the request of the plaintiffs, the suit filed in the court of appeals at Columbus, O., to compel the Ohio department to issue a license to D. C. Reed & Sons, Cleveland, and its constituent members has been withdrawn.

IN THE SOUTHERN STATES

Seeks New Commission Scale

Commissioner Mauk of Texas Confers With Company Men, General Agents—May Hold Hearing

DALLAS, May 1.—Fire Commissioner Mauk is interviewing company executives and company representatives and general agents regarding a new basis of commissions to local agents. It is possible that a hearing will be called after the commissioner has obtained the data he desires.

It is reported the commissioner would like to have commissions 20 percent on normal premium and in no case to exceed 25 percent. He would also like to arrange it so that Texas companies may pay in addition 10 percent contingent under given conditions, and that Texas companies may be allowed to substitute a flat commission of 25 percent, if the town where the business is written has a good fire credit of at least 9 percent, with no contingent.

It is stated the commissioner would like to see a flat commission of 25 percent for all classes of windstorm and all classes of automobile coverage. He would like to have agency balances become due and payable within 60 days after the month in which the business is written.

It is reported the commissioner is meeting with encouragement in his efforts and that there is reason to believe the new arrangement may be put into effect soon.

At the hearing May 10 on methods of calculating fire record credits and penalties, it will be proposed that where the loss ratio is 75 percent or more the penalty be 15 percent; 65 to 75 percent, 10 percent; 58 to 65 percent, 5 percent; also that the credits range from 5 to 25 percent instead of 3 to 15 percent, based on loss ratios of 45 down to 23 percent.

Truce Is Declared at Miami

Agents to Resume Sending Dailies Through Stamping Bureau Until S. E. U. A. Can Discuss Situation

Representatives of the Southeastern Underwriters Association and the Greater Miami (Fla.) Insurance Board held a conference, the S. E. U. A. being represented by R. B. Barnett, Fire Association, who is president; Secretary J. S. Raine, W. R. Prescott, Hartford Fire; J. H. Hines, Crum & Forster, Finley Tucker, general agent Jacksonville, and a number of field men.

The matter came to a head when some of the members of the board refused to send their daily reports through the stamping bureau. It is stated that these agents who took such action agreed to rescind it and continue to send their dailies through the bureau until some time in June when the whole matter can be threshed out in a more deliberate way. It seems that some of the agents have been making rather strenuous pleas for increased commissions and a contingent. The S. E. U. A. men promised to bring this matter before the forthcoming meeting of the organization. It is hoped that the matter can be adjusted in a way that will be satisfactory all around.

Arrange for Annual Muster

Officials of the Texas Association Confer with the Galveston Local Committee

Some of the officials of the Texas Association of Insurance Agents went to Galveston to confer with the local committee of the Galveston Insurance Board regarding the plans for the annual meeting of the state body in that city, May 16-17. There were present President J. H. Chiles, Jr., of Austin and Secretary D. G. Foreman of Fort Worth, officers of the state body; Arthur Grigg, president of the Galveston Insurance Board; J. M. Jacobs, general convention chairman; Fred M. Burton, Douglas Montgomery, Lawrence Dorsey, Jack McKenzie, John Adriance, John Hanna and Randolph Dixon, all members of the local arrangements committee. Eugene Battles of Los Angeles, a member of the national executive committee, will represent that body at the Texas convention.

The directors will meet the morning of May 15 in Galveston, officers of local exchanges in the afternoon. That evening the Galveston Insurance Board will tender a dinner to officers of Texas local exchanges. The program is as follows:

Thursday Morning, May 16

Call to Order—Arthur Grigg, President, Galveston Insurance Board.
Invocation.
Address of welcome, city of Galveston.
Address of welcome, Galveston Insurance Board.
Response—John K. Boyce, Amarillo.
Report of administration—John H. Chiles, Jr., president.
Legislative report—Arthur G. Randol.
Texas Insurance Checking Office—R. B. Cousins, secretary Texas Fire Prevention Association Committee.
Awarding of fire prevention trophy to agency having lowest loss ratio.
Secretary's report—D. G. Foreman, Fort Worth.
Presentation—Senator T. J. Holbrook, Representative E. H. Thornton, Jr., Representative Mrs. Helen Moore.
Appointment of Committees.

Thursday Afternoon

Rates and form committee report—A. D. Langham.
Casualty and surety committee report—Cruger Smith.
Discussions—A number of important subjects will be submitted for discussion by members only.
7:30 p. m.—Get-together Dinner.

Friday Morning

Presentation—R. L. Daniel, chairman board of insurance commissioners; R. S. Mauk, fire insurance commissioner.
Address—R. G. Waters, casualty commissioner.
Report: Fire and accident prevention Rolla V. Cartwright.
Election of Officers—Board of directors (three to be elected for term of three years); regional vice-presidents; Legislative committee.
Address—Eugene Battles, Los Angeles, member executive committee, National Association of Insurance Agents.

Friday Afternoon

Committee Reports: Resolution, by-laws, auditing, special.
Introduction of Officers.

Mobile Man Is Chairman

President Frank M. Backus of the Stonewall Insurance Company, Mobile,

has been appointed district chairman of the contest committee of the National Fire Waste Council for Alabama.

Ponca City Is Badly Battered

Severe Hail Storm Struck the City and Caused Damage in All Parts

The hailstorm that struck Ponca City, Okla., and vicinity caused great damage. It is estimated that Kay county may have suffered \$400,000 loss. Large hail stones fell during a down-pour of rain. Roofs of a number of houses were damaged and many automobiles were injured. Roofs of all kinds seemed to succumb to the terrific bombardment. Many automobiles had their tops smashed into the inside of the machine. Some of the hailstones were as large as hens eggs and even bigger. Some hailstones were found that weighed a pound and over. Many of the school buildings were badly hurt. The hailstorm seemed to center at Ponca City. A tornado struck Blackwell and caused some damage. Many of the mutuals do not cover hail on automobiles. The hailstorm is a striking argument for windstorm and hail coverage.

The Ponca City "News" came out with a leading editorial, calling attention to the fortunate situation of those that had insurance. It commended the insurance system whereby the brunt of losses is distributed over wide areas. Insurance, it said, comes in as a shock absorber and enables those confronted with heavy losses to recoup and carry on. In conclusion the editorial said:

"If residents here had to shoulder the entire loss from Wednesday night's storm, we should be years in recovering. Many residences would be abandoned rather than repaired, for their owners would not be in a position to make the repairs. But modern ideas and modern business has provided against disaster. Companies will come into this field, determine the damage and pay off. Within three months practically all buildings will again be in good repair and but few scars will remain to remind us of the loss. One is reminded under such conditions of the value of cooperation, of sharing mutually with a large group either losses or profits. He is reminded also the confidence the public reposes in insurance companies, a confidence justified over a long period of years of useful service."

Gentry Blames Reciprocals for Arkansas Code's Defeat

Commissioner U. A. Gentry blamed the reciprocals for defeating the reclassification bill in the Arkansas legislature, in his talk at the annual meeting of Group 2 of the Arkansas Association of Insurance Agents at Fort Smith. He claims for the measure that its enactment would have brought fire rate reductions and would have placed on the tax rolls some companies that are not now taxed, principally fraternal societies and groups.

Other speakers were J. Roy Donham, Little Rock, association president; State Senator Arnil Taylor and L. R. Martin, Pocahontas, manager of the state association. Alouin Eason, Fayetteville, was chosen chairman to succeed H. K. Albers, Fort Smith.

Group 3, meeting at Russellville, elected these officers: F. C. Burnett, Russellville, chairman; Oscar McCaskill, Little Rock, vice-chairman, and Walter Dunaway, Conway, secretary-treasurer.

William Stredelman, Little Rock, assistant manager Arkansas Fire Prevention Bureau, reported the Arkansas fire loss in 1934 the lowest in seventeen years. He said local agents, the Home Owners Loan Corporation and other groups have cooperated effectively in a drive against mounting fire losses.

President Donham said that frequent meetings tend to "eliminate jealousies,

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Specializing in trial of insurance cases.

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discord and ruinous competition among agents."

Becomes General Agency

The Louisiana Insurance Agency, 822 Perdido street, New Orleans, has become a general agency for all lines of insurance in Louisiana and Mississippi, instead of operating solely as a local agent.

America Fore to New Quarters

DALLAS, May 1.—The America Fore group has closed a long-time lease on a three-story building at Akard and Federal in the downtown section and will remove from the present location in the Santa Fe building to its new quarters about July 1. The group will occupy the entire third floor of the building and will be in position to occupy other floors when needed.

Three Losses in Tennessee

Two sizable losses occurred in Tennessee towns within a few hours of each other recently. Loss estimated at from \$60,000 to \$75,000 was caused by a fire which attacked the Capitol Theater in Clarksville. This was an old mercantile building which had been converted and remodeled as a movie theater.

In Lewisburg, loss estimated at \$100,000 was done in a fire which destroyed plant No. 2 of the Red Cedar Pencil Company. This was an ordinary one and two story brick joisted building. The fire started in a stock room used for the storage of paper board cartons, etc. Insurance of about \$75,000 is involved.

Both losses are being handled by the Fire Companies Adjustment Bureau.

A third fire this week virtually wiped out a business block of Tracy City, Tenn., causing damage estimated at \$100,000. A "fire bug" is suspected.

The Foxworth Hotel was destroyed, along with buildings housing the E. C. Norvell undertaking establishment, Oliver & Brawley's shoe shop, Roy

Wright's grocery store, Lewis Hines' drug store, the Post office and Knights of Pythias hall, the L. E. Hassler clothing store, the Dixie Telephone Company's office and the dwelling of Lewis Hines.

Special "Wildcat" Prosecutor

MONTGOMERY, ALA., May 1.—For perhaps the first time in the history of Alabama a special assistant to the attorney general has been appointed specifically to direct the crusade of the Alabama department against unauthorized companies. Peyton Bibb of Birmingham, has been named to this post.

Wind Up Texas Hail Claims

DALLAS, May 1.—The hail loss adjustments at San Antonio have been practically completed, company executives and adjustment bureau officials report. The claims at San Antonio approximated \$500,000. The cleaning up of these claims in so short time probably sets a record for action on the part of companies and property owners in this section.

Adjusters say there are a few straggling claims outstanding, but these are of "that nature" which precludes prompt settlement.

Ross Now Texas Manager

James K. Ross, who has been a special representative of the Oil Insurance Association in Oklahoma and Kansas for eight years, has been appointed Texas manager for the association, according to General Manager H. M. Carmichael. He will supervise all operations of the association in the southwest. His earlier experience was with the Ohio Inspection Bureau and the Arkansas Actuarial Bureau.

G. L. Hoge and E. T. Skipworth, formerly with the Kemp & Caldwell agency, El Paso, Tex., have opened the Hoge & Skipworth agency in the First National Bank building, El Paso.

The addresses include "Inland Marine Coverages," by E. W. Porep, agency superintendent North America; "Casualty Insurance," Keith Hutchings, special agent Great American Indemnity; "Loss Adjustments," F. P. Gupta, special agent Hartford Fire; "Insurance Requirements of Washington Department of Public Works," Lloyd Beattie, special agent Franklin Fire; "Surety and Fidelity," A. O. Stuber, northwest manager Massachusetts Bonding; "National Fire Prevention and Protection Standards as Relative to the Public," T. P. Evans, chief engineer Washington Survey & Rating Bureau. W. H. Maloy, special agent of Great American-Phoenix group, will speak on legislation.

Schools Test Montana Law

MISSOULA, MONT., May 1.—The school board here has voted to join other districts in a test case to determine the legality of a recently enacted law which requires schools to insure their property through the state. Board members estimated that such insurance might mean an increase as high as 50 percent.

Los Angeles to Honor Carpenter

LOS ANGELES, May 1.—All lines of insurance will be well represented at the banquet and reception here May 7 for S. L. Carpenter, Jr., new California commissioner. Special guests will include Governor Frank F. Merriam, Mayor Frank L. Shaw, Chief of Police James E. Davis, Fire Chief Ralph J. Scott, Deputy Insurance Commissioner H. F. Risbrough, the chairman of the board of supervisors, the president of the chamber of commerce, the president

of the city council and others prominent in the civic and business life of the city and county. All of the insurance organizations will have large delegations in attendance. The Insurance Exchange, Life Underwriters Association and Accident & Health Managers Club are expected to be especially well represented.

Has Reentered Washington

After being out of the state for the past year, the Sun Underwriters has been readmitted to Washington. Max V. Hubbs is manager, with headquarters in Seattle.

Oregon Local Agents' Meeting

The annual meeting of the Oregon Association of Insurance Agents will be held at Salem, May 24-25. C. L. Sigman of Eugene, secretary-treasurer of the organization, is general chairman. Merrill Ohling of Salem is president.

Bellinger Convention Chairman

President D. K. Ireland of the Bellingham Insurance Agents' Association, Bellingham, Wash., has appointed Frank Bellinger general chairman for convention there of the Insurance Agents' League of Washington, July 11-12.

Oregon Losses in 1934

The state fire marshal of Oregon shows last year there were 4,283 fires compared with 4,620 the year before. The loss last year was \$2,402,008 as compared with \$2,713,360. Losses paid by insurance companies amounted to \$2,067,733.

EASTERN STATES ACTIVITIES

Has Convention Committees

Rochester Insurance Board Announces Working Organization to Prepare for the National Gathering

The Rochester, N. Y., Insurance Board, in appointing its convention committees for the National Association of Insurance Agents, which will hold its annual gathering there Sept. 23-27, has captioned the committee list, "Convention Air Fleet." This is due to the fact that the Rochester delegation flew both ways from Rochester to Coral Gables where the National midyear meeting was held, endeavoring to capture the 1935 convention. They were denominated the "air squadron." They were pictured as flying over Miami and bombarding the delegates.

Thomas A. Sharp is commander of the fleet. J. H. Farrell is lieutenant commander. The general staff consists of L. C. Hock, F. L. Greeno, C. H. Tuke and Louis Hawes, fleet secretary. The other squadrons are headed as follows: Finance, J. H. Farrell; reception, L. C. Hock, captain; Frank J. Eaton, lieutenant; registration, T. M. Childs, captain; Percy B. Dutton, lieutenant; entertainment, Roy A. Duffus, captain; Arthur J. Bamann, lieutenant; hotel, R. M. Markin, captain; Mott T. Slade, lieutenant; publicity, F. L. Greeno, captain; Wellington Potter, lieutenant; sports, G. T. Amsden, captain; R. E. Friedlich, lieutenant; information, H. E. Weisenbeck, captain; C. E. Blake, lieutenant; transportation, C. H. Tuke, captain; C. R. Mowris, lieutenant; exhibit, C. C. Champion, captain; C. E. Hayes, lieutenant; ladies entertainment, Mrs. F. L. Greeno, captain; Mrs. L. C. Hock, lieutenant; Mrs. T. A. Sharp, lieutenant. New York State Association, J. W. Rose, Buffalo, captain; John J. Roe, Patchogue, lieutenant.

The Rochester committee headquarters is located at 403 Commerce building.

Qualification Bill Is Opposed

Measure Backed by Pennsylvania Association of Insurance Agents Has Run Against Snags

Senate bill 945 in the Pennsylvania legislature, which classifies and provides for the licensing of insurance solicitors, has run against many snags. It defines the class of licenses to be issued for solicitation and broadens the definition of agents and brokers. It adds a new classification to be known as solicitors. Distinction between agents and solicitors lies principally in the fact that the solicitor is licensed only to solicit business and collect premiums whereas the agent's license provides for the countersigning of policies. Under the bill all persons who wish to start in the insurance business must commence as solicitors, connected either with an agent's office or that of a company. They cannot secure agents' licenses until they are able to qualify in accordance with the provisions of the bill. The Pennsylvania Association of Insurance Agents in a legislative bulletin says that this bill had no sooner been introduced than opponents appeared from several quarters. It asserts that every attempt to improve the insurance business from a local agency standpoint meets with determined opposition.

Vermont Local Agents' Meeting

The spring meeting of the Vermont Association of Insurance Agents will be held May 10 at Bellows Falls. George Kent of Barre, president of the organization, will preside at the meeting.

Alex R. Connolly, well known agent of Springfield, Ill., was honored this week by the American of Newark, with which he has been connected locally since 1904. He was given a gold "sign," the presentation being made by Special Agent H. W. Williams.

PACIFIC COAST AND MOUNTAIN

Luncheon for the Old-Timers

A. A. Maloney Feted Some of His Associates During His Coast Management of America Fore

A. A. Maloney, former manager of the America Fore group in San Francisco, gave a luncheon to some of the executives and employees of the department in 1917, when the Pacific Coast department was formed by the transfer of some of the work of the New York and Chicago departments to San Francisco, and the San Francisco metropolitan department was given over to the new Pacific Coast branch. Mr. Maloney went to San Francisco shortly after he had served as president of the Fire Underwriters Association of the Northwest. He had been with the Continental in various field and executive positions with headquarters in Kansas City and Chicago. He then was sent to San Francisco to open the department. After resigning his position with the America Fore in 1919 he became an adjuster with headquarters in St. Louis. Some years afterwards he retired and has been spending his time in Kansas City, Los Angeles and other points. He is on a visit to the Pacific Coast, accompanied by his niece, Miss Mildred Maloney.

Those present as guests of Mr. Maloney at the recent function were: H. W. Nason, Willis Weymouth, Harper P. Burns, J. Eugene Widner, G. M. Oliver and J. W. Montgomery, America Fore group; Edward Randall, Fireman's Fund; Thomas Ward, Reinsurance Underwriters; Jay C. Wicker, Great American and Phoenix; George Boyd, American Trust; George B. Gray, Northwestern National, and A. P. Lange, Hale Bros.

Heads Advisory Committee

Mills Relected Chairman, Gilmore Vice-chairman of Washington Organization; British Columbia Meet

SAN FRANCISCO, May 1.—H. F. Mills, Pacific Coast manager Aetna Fire, has been reelected chairman of the Washington advisory committee. W. W. Gilmore, manager London & Lancashire, was reelected vice-chairman.

BRITISH COLUMBIA REELECTIONS

Harry L. Simpson, associate manager Great American and Phoenix of Hartford, W. O. Wayman, manager National Fire, and J. M. Mendell, manager London Assurance, were reelected members of the British Columbia advisory committee at the annual meeting held here. Mr. Mendell who has been chairman for four years, was reelected.

Reelected to represent the San Francisco membership of the British Columbia Insurance Underwriters Association as members of its executive committee were: J. H. Harrison, Vancouver, and J. E. Johnson, Seattle, whose terms expired. Other members of the executive committee of the association representing the San Francisco membership are E. W. Lowe and F. W. Gaston of Seattle.

Field Men Address Agents

Continuing a series of meetings which have been found most satisfactory to agents of the state, a group of speakers from the western Washington division of the Special Agents Association of the Pacific Northwest is addressing Longview and Kelso agents May 2 and Vancouver, Wash., May 3.

MARINE INSURANCE NEWS

Marine Section's Gathering

Program Announced for Meeting of This Branch of National Fire Protection Association

NEW YORK, May 1.—The marine section of the National Fire Protection Association will hold its annual meeting May 10 at 29 West 39th street, New York City. An interesting program has been arranged. Chairman S. D. McComb will make the opening address. The rest of the program, consisting of reports of the technical committees, is as follows:

Builders' Risk, Repair and Lay-up—H. E. Newell, New York. Mr. Newell will present the recommended safeguards for the prevention of fire on vessels in the course of construction, during repair and lay-up.

Tankers, Including Harbor Transportation—H. E. Newell. This will include tentative recommendations for regulations concerning tankers used for the transportation of refined petroleum products.

Motor Craft, Pleasure and Commercial—A. E. Luders, Stamford, Conn. Mr. Luders will describe fire extinguishing equipment, fuel storage and handling, ventilation, etc., on gasoline and Diesel powered boats.

Fire Detection, Alarm and Extinguishers—E. H. Rigg, Camden, N. J. Regulations recommended for fire detection, alarm and various extinguishing apparatus.

Construction and Design—G. G. Sharp, New York. Mr. Sharp will discuss the developments made since the preliminary report on fire resistive construction of vessels submitted to N. F. P. A. in 1933.

Electrical—A. R. Small, Underwriters Laboratories, Chicago.

Operation of Marine Terminals—A. J. McCarthy.

Hazardous Cargoes—H. A. Campbell, New York. A list of commodities which should not be stowed together.

The following officers have been nominated: Chairman, S. D. McComb; vice-chairman, Roger Williams; secretary, A. J. Smith.

Long Haul Proposal Revived

Suggestion to Write Truckmen in Pool Advanced by Placing This Industry Under I. C. C.

NEW YORK, May 1.—With enactment by Congress of the measure placing long haul trucking carriers under control of the Interstate Commerce Commission, there was revived the suggestion first advanced a year ago that fire, inland marine and casualty companies cooperate in issuing a general cover contract for such risks. The proposal is still in tentative form, and must be studied before a program could be worked out. That it is being agitated, however, gives promise that something may be done, especially since trucking interests have shown unusual concern about their insurance coverage.

The long haul trucking industry assumed such proportions years ago as to offer serious competition to railways. The latter in many sections were compelled to install their own trucking service, hoping to remain in domination of a business in which formerly they had a monopoly.

With construction of hard roads far and wide, and improved trucks, long distance motor hauling greatly increased, and it must now be regarded as a permanent factor in transportation.

Large Premiums Available

Accurate statistics are not available, but underwriters who have studied the matter state that of the more than 250,000 vehicles used by truckmen, probably 50,000 are engaged in long distance hauling and the average premium for personal liability and property-damage coverage is close to \$400, which means

the aggregate premium volume on the class approximates \$20,000,000. If to this be added \$10,000,000 for fire, theft, cargo and collision cover, and \$5,000,000 for workmen's compensation insurance, the total premiums available from the trucking industry reach \$35,000,000 annually. This would be increased \$15,000,000 if short haul truckers were taken into account.

Fire and casualty underwriters have been chary about accepting long haul trucking risks, with unsatisfactory experience, due to long hours for drivers, danger of their falling asleep at the wheel, large size of the equipment contributing to road accidents, etc. Trailers are an especial hazard.

Seek Truckmen's Cooperation

Truck operators have been asked to cooperate in correcting these hazards, with the prospect of premium reduction when experience warrants.

While a number of states have laws governing operation of trucking concerns, there has been no uniformity, nor have statutes been effectively administered. With supervision by the Interstate Commerce Commission marked change may result. Stringent safety rules may be promulgated and enforced.

A pool program for writing this business, underwriters say, would concentrate inspection and engineering service, provide highway patrols, day and night claim service in congested areas and closer cooperation with truckmen's associations. No individual company could afford to maintain such features, it is said. Writing the business in a pool, it is believed, might make possible a profit to carriers. It would add to income of local agents, induce more cordial relationship between companies and assured, and quiet agitation for state funds for these risks.

Paid Only \$1,575

The list of hijack truck losses which was published in THE NATIONAL UNDERWRITER stated that the Willett Company experienced a truck loss of \$20,000 in Chicago. The total claim made by the Rock Island railroad and paid by the Willett company amounted to \$1,575.

Marine Insurance Notes

S. D. McComb, head of the Marine Office of America, spent Monday and Tuesday of this week in Washington attending the convention of the United States Chamber of Commerce.

Hendon Chubb of Chubb & Son will be one of the speakers at the annual meeting of the New Jersey Bankers Association which will be held in Atlantic City May 23-25.

The Thames & Mersey Marine has moved to attractive new quarters at 150 William street, New York City. The underwriting office is on the main floor and the other department on the 15th. H. W. Spicer, manager, and A. B. Grant, assistant manager, both of whom have contributed over 30 years of service to the Thames & Mersey, act in like capacity for the marine department of the Liverpool & London & Globe, Star, the Federal Union and are also United States managers of the North China.

Motor Insurance Events

Broader Coverage Is Sought for Michigan Auto Carriers

LANSING, MICH., May 1.—The Michigan legislature is considering a bill which would open the way for Michigan stock automobile specialty companies to broaden their lines considerably. The bill would make a simple change in the present law which now lists specific allowable coverages, concluding with "any other proper form of automobile insurance." The new measure would rephrase this to read "any other proper form of insur-

ance against any hazard arising out of or in connection with the use of an automobile."

It is expected that the measure would open the way for writing of passenger accident policies, cargo insurance, and personal effects coverage.

The Wolverine of Lansing was not allowed by the department, in a ruling some years ago, to write cargo coverage. Whether the bill was designed to aid this carrier in legalizing this line could not be learned.

J. E. Hanstein, recently with the Sun Life of Canada, has opened an insurance agency in the Pioneer building, St. Paul, writing all kinds of insurance.

Georgia Premiums Higher, Loss Ratio Only 29 Percent

Fire company premiums in Georgia totaled \$11,501,847 in 1934 compared to \$9,763,001 in 1933 and \$10,355,551 in 1932. Of the 1934 total, \$9,003,559 is fire, \$1,528,878 motor vehicle. Net losses incurred in 1934 were \$3,360,316, with a loss ratio of 29.21 percent. Fire losses totaled \$2,570,049, 28.5 percent ratio; motor vehicle \$535,277, 35.1 percent ratio. The loss ratio is remarkable in light of the past experience of 53.1 in 1933 and 65.8 in 1932. The Hart-

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ford Fire led in premiums with \$697,695, followed by the Home of New York with \$521,850; American of New Jersey, \$409,587; General Exchange, \$390,402; Southern Mutual, \$369,578; Aetna Fire, \$339,967; Fireman's Fund, \$334,495, and Continental \$310,576.

Much Interest in Home Transaction

(CONTINUED FROM PAGE 3)

New York at not less than the ratable part of the indebtedness for each share of stock so sold, the net proceeds to be paid to the banks.

During the three year period the banks will not require further collateral and Home Fire Security may discharge the loan by transferring to the banks all its interest in the 500,000 shares.

President Wilfred Kurth of the Home points out that such a plan would result in permanently lodging substantial control of the National Liberty and other important affiliates directly with the Home.

Although no agreement has been made, it is expected that the Home of New York will purchase from the Home Fire Security for \$2,500,000 in cash certain shares of the Baltimore American and Southern Fire, which under the plan would constitute the remainder of the collateral, which would not be turned over by the banks in exchange for the 500,000 shares of Home of New York stock. Thus the banks would get back their \$2,500,000 in cash which they would previously have advanced to the Home

Fire Security to enable that corporation to buy the 500,000 shares of the Home of New York.

If the stockholders of the Home of New York vote favorably upon the plan, Mr. Kurth announces that they will receive a cash dividend of \$1 per share, in which the newly authorized shares would not participate. This would mean a total cash distribution of \$2,400,000 to stockholders before the transaction with the Home Fire Security Corporation is effected. The intention to make such distribution has been communicated to both the Home Fire Security Corporation and the banks.

The present capital organization of the Home consists of 2,400,000 shares of \$5 par value. There would be issued 600,000 new shares of \$5 par value of which 500,000 would be routed through the Home Fire Security Corporation to the banks. There would remain authorized but unissued 100,000 shares of stock.

If the deal goes through, it will mean that the net surplus of the Home will be increased by about \$5,000,000, while the surplus to policyholders will be increased by about \$7,500,000. It will bring the assets of the Home nearly to \$100,000,000 again.

The market value of the collateral held by the banks is about \$10,000,000. Those assets will be incorporated in the portfolio of the Home. However, \$2,400,000 will be paid out in cash dividends to present stockholders, reducing the net result of the transaction to an increase of about \$7,500,000 in assets. That will mean a \$7,500,000 increase in surplus to policyholders. The capital liability is being increased by \$2,500,000 so that the increase in net surplus will be about \$5,000,000.

The banks can come out even when, as and if the market value of the stock of the Home of New York reaches \$37 a share. When the financing proposal was announced, the stock of the Home of New York dropped about three or four points to around \$26, but there were a good many buyers, who felt that the deal would result advantageously to the Home and who look for an enhancement of value.

Those who have analyzed the deal point out that the transaction will only increase slightly the dividend charges of the Home of New York. The 500,000 additional shares to be issued will call for \$500,000 of regular dividends. However, the stock of affiliates which is now held as collateral by the banks produces annual dividends of about \$425,000. Therefore the additional interest charges will be only about \$75,000.

Memorial to R. H. Williams

A memorial to the late R. H. Williams, vice-president Travelers Fire, prepared by F. D. Layton, president National Fire; W. Ross McCain, president Aetna, and G. C. Long, Jr., vice-president Phoenix of Hartford, was adopted by the executive committee of the National Board. The memorial pays high tribute to the personal and professional qualities of Mr. Williams in whose passing the "business lost one of its most lovable member and staunchest advocates of its best traditions," the memorial states.

Death of John E. Shepherd

John E. Shepherd, for many years well known in Chicago insurance circles as a local agent, died April 27 at Charlottesville, Va. He retired from the insurance business many years ago, locating in Virginia. He started his insurance career as cashier of the old Liberty at Chicago in 1891 and later was engaged in real estate and insurance in Oklahoma City. In 1895 he sold his business there and became connected with the Manchester Fire in Chicago as assistant superintendent of the Cook County department. Later he was a partner with the late L. H. Davis, the firm name being Davis & Shepherd. His father, John Shepherd, was an old time Chicago insurance man becoming assistant United States manager of the Manchester in Chicago.

To Be President



JOY LICHTENSTEIN

SAN FRANCISCO, May 1.—Joy Lichtenstein, vice-president and Pacific Coast manager of the Hartford Fire, has been nominated for the presidency of the Pacific Board. Ray Decker, manager Royal-Liverpool & London & Globe group, is slated for the vice-presidency. The following have been nominated for executive committee: G. V. Lawry, Travelers Fire; R. H. Griffith, Glens Falls; Barclay Henley, Henley, Scott; C. I. Magill, Home of New Hartford; W. B. Swett, Swett & Crawford, Edwin Parrish, America Fore; A. W. Whalley, Seattle. The election is May 9.

Reduced Dwelling Rates Announced in Oklahoma

OKLAHOMA CITY, May 1.—Secretary S. W. Philpott announced the approval of the Oklahoma Insurance Board on reduced fire insurance rates on dwellings that will benefit about 90 percent of the population in cities and towns under fire protection and will affect approximately \$1,500,000 in premiums. A slight increase was made on small town dwellings which will affect less than 10 percent of the state. This increase can be offset by installing fire prevention appliances as proposed by the Oklahoma Inspection Bureau. Rates on dwellings in from first to six class cities are reduced eight cents per hundred, seventh and eighth class towns are reduced four cents per hundred. All become effective June 1.

DeGuire Goes to Decatur

V. J. DeGuire, special agent of the Home of New York, who has operated out of Chicago for some time, has been transferred to Decatur, Ill., making the move May 1. He was the guest Tuesday night of 20 friends and associates at dinner, among those present being Manager T. K. Pfafflin of the service department, Chicago, Assistant Manager L. H. Bridges of the Home's farm department and State Agent A. H. Knight of Illinois.

E. F. Williamson a Visitor

NEW YORK, May 1.—Following a week's visit with the United States branch of the Norwich Union Fire in this city, E. F. Williamson, general manager of the society left for Toronto for a stay with the divisional office in that city, before returning to England.

Fire Examiners to Meet

NEW YORK, May 1.—The Fire Insurance Examiners Association of New York will hold its annual meeting May 21.

Continental Casualty Gives Functions for Col. Layton

Col. F. D. Layton, president of the National Fire of Hartford, who went to Chicago last week to attend the fiftieth anniversary of W. A. Alexander & Co. of that city, one of its local agents, stayed a week visiting with Manager George H. Bell and his associates in the western department, going over the returns and making plans for the future. Colonel Layton is a director of the Continental Assurance of Chicago, running mate of the Continental Casualty. Colonel Layton and Western Manager George H. Bell of the National Fire are also directors of the National Casualty of Detroit, whose general casualty and surety activities are conducted by the Continental Casualty from its home office. President H. A. Behrens of the Continental Casualty tendered Colonel Layton a luncheon to which he invited the directors of both companies and other prominent business men of Chicago. He also gave him a dinner, the guests being largely members of the Continental Casualty business family.

Distant Members Present

At the first meeting of the governing committee of the Western Underwriters Association in Chicago this week there were three members present from a distance, they being Fred W. Koeckert of New York, U. S. manager Commercial Union; Vice-president R. D. Safford of the Travelers Fire, and Secretary J. C. McKown of the St. Paul F. & M. W. D. Williams of Rockford, manager of the Security, a new member on the committee and former president of the organization, was also present.

Nichols Heads Carpenter Firm

The directors of Guy Carpenter & Co., Inc., agency of New York have elected George G. Nichols as president to succeed Mr. Carpenter who died recently. Guy Carpenter, Jr., was elected assistant secretary. Mr. Nichols was associated with Mr. Carpenter for 22 years and previous to that he was connected with the Cotton Insurance Association at Atlanta.

John Broderick & Son Move

John Broderick & Son, well known Chicago local agency, has moved to new offices at 1509 Insurance Exchange. The firm was formerly located at 209 West Jackson boulevard. The office was established in 1930, when it became a class 1 member of the Chicago Board. In past years most of its efforts were concentrated on personal production, but its facilities have been expanded to accommodate 15 office brokers. Through outstanding fire, casualty and life company representation this office plans to become a real factor in the brokerage business. The space has been more than doubled.

Members of the firm are Senator John Broderick, president; L. Broderick, vice-president, and John J. Broderick, Jr., secretary and general manager. Mr. Broderick, Jr., started in the insurance business in Chicago as a broker in the office of the late George Brennan, manager of the United States Fidelity & Guaranty, when it was located in the Corn Exchange Bank building. He has established many new contacts in the brokerage field, as well as building a large volume of personal business for the agency. The firm represents the Eagle Fire, Central Union, Columbia and is general agent of the Standard Accident. The opening will be held May 11.

Appointed Brooklyn Agent

NEW YORK, May 1.—Bischoff, Cook & Clarke has been appointed Brooklyn borough agent of the accident and liability departments of the Aetna Life, casualty agents of the Aetna Casualty, and representatives of the Standard Fire of Hartford.



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May 2, 1935

CASUALTY AND SURETY SECTION

Page Twenty-five

Consider Policies in Inflation Time

Casualty Company Officials Are Charting Course Ahead with Great Caution

SOME SEE SALES BOOST

Expect Huge Federal Projects to Relieve Unemployment; Perhaps Less Claim Malingering

NEW YORK, May 1.—Anticipating that an era of inflation far more pronounced than at present will set in, casualty company officials have been closely studying trends, endeavoring to chart a safe underwriting policy. While they agree on underlying factors, a sharp diversity of opinion exists as to the effect proposed policies are likely to have on the future of casualty insurance, especially workmen's compensation and automobile liability.

One element among the managers holds that inflation, plus the impetus to general business that will follow the huge federal public building program shortly to be inaugurated, will put to work many unemployed at good wages, with sharp increase in payrolls upon which compensation premiums largely are predicated. Because of the steady employment which probably will continue for several years, the tendency to malingering on the part of employees, so common during the depression, will be greatly curtailed, with improvement in claim experience.

Relief in Social Plans

Enactment by Congress and state legislatures of unemployment, old age pension and other socialization plans is considered to be another factor that will reduce the number of claims. Assurance of even modest income in case of unemployment, and of a small pension after a certain age, it is believed, would relieve the pressure which during the depression has resulted in many cases of self-injury or prolongation of illness in event of accidental injury.

Some casualty company officials favor extending compensation writings, a reversal of the policy generally pursued in recent years.

As an offset, many managers believe, the forces likely to benefit compensation will have a contrary effect upon automobile public liability. Under pronounced inflation accident damage awards will be far greater than now, both as to personal injury and property damage claims, and with scant opportunity for rate increases. The rating procedure consumes so much time that revisions would not be sufficient to offset current losses.

The optimistic views as to the future of compensation insurance are sharply challenged by other executives who contend that the business, long a sink hole for carriers, always will prove so,

(CONTINUED ON PAGE 29)

New Insurability Volume by Dr. Dingman Is Authoritative

MODERN FACTORS WEIGHED

Comprehensive Reference Book on Diseases and Risk Selection Is Up to the Minute

A comprehensive, authoritative and up to the minute discussion of "Selection of Risks" in the light of the many changes in ideas and practices of the last few years, written by Dr. Harry W. Dingman, medical director and vice-president Continental Assurance, Chicago, has just come off the press. It is published by The National Underwriter Company.

Practical Reference Work

This volume is of great interest, not only to home office men, but to producers in the field, for it tells in non-academic, strictly narrative style the many modern factors to be considered in selecting risks for life and accident and health insurance. From the standpoint of the home office man, it is probably the only real reference work on insurability except Dr. Dingman's previous volume, "Insurability and Prognosis," first published in 1927. Agents will find much information of practical value in selecting risks so they will have the best chance of approval at the home office. The volume undoubtedly will be found to be an indispensable adjunct of general agents', managers' and brokers' offices.

Newer Factors Considered

The depression years have placed extra emphasis on such aspects of insurability as jumbo risks, moral hazard, the relation of income to coverage, blood pressure, heart condition, etc., as brought out by the Medical Impairment Study.

Dr. Dingman is probably the best qualified author in America on this important subject. In "Selection of Risks" he schedules present day underwriting procedure based on actual experience, with full recognition of the lessons of the last few depression years. He is outstanding for his deep understanding of the relationship between field and home office in writing and underwriting personal insurance and is known far and wide for his studies and presentations on underwriting and claim procedure. Dr. Dingman is a fellow of the American Medical Association and a member of many insurance and medical societies.

Alphabetical Arrangement

"Selection of Risks" undoubtedly will become the new standard authority on underwriting practices for executives, claim men, lay underwriters, inspectors, students and agents. All factors affecting insurability are specifically considered, the subjects being treated in alphabetical order, with a cross index so that related subjects may be located. Dr. Dingman, who brings a refreshing viewpoint to everything that he considers, has written the volume with remarkable freedom from technical language and in a terse but interesting style avoiding long sentences

Many Outside Interests Assist in Index Bureaus

HELP EFFORT TO END FRAUDS

Manager Beha of National Casualty Bureau Sees This as Endorsement of Claims Policy

NEW YORK, May 1.—That interests other than insurance are concerned in efforts of the index bureaus supervised by the National Bureau of Casualty & Surety Underwriters and designed to check fraudulent personal injury claims is attested through the cooperation from outside corporations of various types. Of the 118 members enrolled in one or more of the ten bureaus operating at strategic centers throughout the country, 56 are non-insurance, embracing municipal governments, public utilities, transportation companies and the like.

The cities of Cleveland, St. Louis, Richmond Heights, Mo., and Oklahoma City are included. Among corporations are the Atlantic Gas Light, Cleveland Electric Illuminating, Cleveland railway, Erie railroad, Georgia Power, Minneapolis Street railway, Nickel Plate railroad, Oklahoma railroad, Borden Farm Products, Child Restaurant, Atlantic & Pacific, S. S. Kresge, Ohio Bell Telephone and Railway Express Agency.

Seen as Endorsement

Enrollment of these non-insurance organizations, J. A. Beha, general manager of the National Bureau, feels is an endorsement of the comprehensive policy upon which the index bureau system was established.

"The activities of claim thieves," he said, "are not always directed against insurance carriers. In consequence the ultimate success of the bureau plan will be measured by our ability to attract all groups affected by casualty or liability claims, whether they be insurance carriers or not." The primary concern of the bureau is to prevent losses through fraudulent or exaggerated claim-making.

and long words. The simplicity of expression makes for clarity.

All Diseases Described

Various factors affecting health and longevity are discussed in logical and understandable manner, with Dr. Dingman's full appreciation of what is practicable in field and home office. All diseases are treated and also aviation, family injury, habitat, insurance quotas, moral hazard, occupation, weight and many other important factors. Minor and more unusual elements are more briefly discussed, depending on relative importance. Each disease is described to a sufficient extent for the underwriter to understand and identify it, symptoms being given concluding with a brief statement how insurability is affected for both life and accident and health insurance.

Copies may be ordered from The National Underwriter Company, 420 East Fourth Street, Cincinnati, O., or from any National Underwriter branch office. The price is \$5.

Agents' Criticism Not Well Taken

Towner Bureau Strictly Rating Body, with No Authority Over Commissions

ARGUE ON U. S. PROJECTS

Lower Acquisition Loading on Such Works Said to Be Due Solely to Size of Premium

NEW YORK, May 1.—In criticizing, as was done by some members of the National Association of Insurance Agents at their mid-year meeting at Miami, issuance by the Towner Rating Bureau of special rates for bonding government projects, and allegedly setting reduced commissions for business producers, surety officials say, the agents failed to appreciate that the Towner Bureau is strictly a rating body and has nothing whatever to do with determining commissions. The latter is the function of the Conference on Acquisition Cost of Fidelity & Surety Business, which determines the number and grade of field representatives each member company may have in each state, and the amount of commission to be paid for securing business.

Are Specifically Rated

The great building projects undertaken by the federal government, which in particular cases cost well into the millions, are specifically rated by the Towner Bureau, and, because of the large premium involved, generally are loaded for a commission rate considerably less than that allowed for general contract bonds, premiums upon which are relatively modest.

When the Hoover dam project was under review in April, 1932, a joint conference between representatives of the National Association of Insurance Agents, National Association of Casualty & Surety Agents and Acquisition Cost Conference was held in this city, at which it was agreed the commission rate on bonds required for the huge government undertaking, as well as for some eight additional projects contemplated at the time, would be substantially less than paid for ordinary business.

Consistently Followed Plan

The government authorities, it was appreciated, would not stand for loading bonding premiums in any such amount as customarily allowed. This agreement reached just three years ago has been consistently followed by the Towner Bureau in issuing rates on all large public works undertakings.

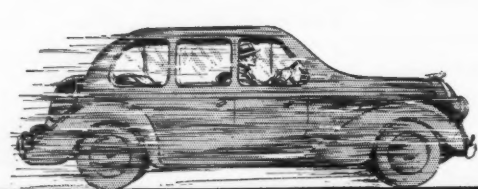
The agents assert, however, that the program they assented to in 1932 was to apply only to the special projects then under way or proposed for an early date, and was not to be construed as establishing a precedent.

Starting Safety Movement Along National Channels

Charles F. Williams of Cincinnati, president of the Western & Southern Life, Western & Southern Indemnity and Western & Southern Fire, while essentially a life insurance executive, is taking a lively interest in traffic safety.

agents and employes of the Western & Southern group and then he hopes that the movement will be expanded. The plan calls for cooperation on part of other advertisers such as automobile manufacturers, oil and tire people,

Drive Carefully!



Your Car May Have An ALL-STEEL Body—BUT The Pedestrian Hasn't.

He has been impressed with the growing number of automobile accidents. He finds that 60 percent of all automobile fatalities and injuries are suffered by pedestrians and he thinks that most of them are due to carelessness on part of the people themselves. In starting a national campaign, Mr. Williams desires to create in the minds of drivers and pedestrians the principle of caution. He makes a start through the

safety leagues, etc. The Western & Southern Life agrees to furnish at cost the publicity material in the safety campaign. The keynote which will predominate is given in the accompanying cut, which is one of a series which will be produced in various sizes. Mr. Williams states that he will throw the entire organization of the Western & Southern group back of the traffic safety movement.

Importance of Competent Agent Stressed by Buyer

LANSING, MICH., May 1.—The importance of choosing a competent agent to handle all insurance matters was stressed at the annual convention of the Michigan Retail Dry Goods Association here by C. N. Hoag of the J. R. Jones & Sons department store, Kalamazoo. He put the choice of agent first among the requisites for efficient handling of a store's insurance. The successful merchant does not "swap" insurance for patronage but selects the most competent man whether he happens to be a customer or not. The savings that can be effected through proper insurance management, he pointed out, are certain to more than offset any profit from trade that might be given the store through "throwing" insurance to a certain agency.

Need Exact Understanding

The rigid character of the policy contract makes it necessary to have an exact understanding of the coverage required and of that provided if the insurance is to do its job, said Mr. Hoag. Most merchants must leave much to the integrity of the agent although they should be well-informed themselves in the matter. All merchants do not require the same forms of protection nor does any one merchant need unvarying protection in kinds and amounts. Use and occupancy insurance was recommended highly for the average retailer. Mr. Hoag recommended purchase of adequately high liability limits in view of the relatively low rates and the numerous instances of excessive judgments rendered by juries.

Talk to Bankers

NEWARK, May 1.—Hendon Chubb of Chubb & Son and C. H. McComas of the Fidelity & Deposit will talk at the New Jersey Bankers Association meeting in Atlantic City May 23-25.

London Lloyds Licensed in Nebraska to Write Taxicabs

OMAHA, May 1.—The Nebraska department has granted London Lloyds a license to operate in the state to ease the taxicab insurance situation.

Omaha is having a street car strike and several hundred jitneys have been pressed into service. They must carry liability insurance and apparently no other company than Lloyds will cover them. A special license has been given J. D. Ringwalt to insure this line only. Each applicant must file an affidavit with the insurance commissioner that insurance could not be obtained elsewhere. No other lines than taxis and jitneys are affected.

Many Taxi Accidents

There has been a high taxicab accident rate in Nebraska. The Lincoln city council objected to accepting London Lloyds coverage. However London Lloyds is now covering the bulk of the cabs in Lincoln and Omaha. The Travelers Mutual of Des Moines withdrew from the field because of heavy losses. The Travelers of Hartford is carrying the Yellow Cab & Baggage Co. at Omaha, which operates about 100 machines.

Says Comment Was Untrue

In an article last week on Ohio action against casualty companies for the alleged practice of law, which is illegal for corporations in that state, it was remarked that the closest approach to a similar case was that of the Motorists Mutual, in which the common pleas court decided against the company and did not allow it to sell contracts which covered tow-in service, legal defense in case of need, etc. Apparently THE NATIONAL UNDERWRITER correspondent was misinformed. The Motorists Mutual states that the comment was untrue in every respect.

LEGISLATIVE DIGEST

AUTOMOBILE

Ohio—House passes drivers license and financial responsibility bills, previously passed by the senate, with minor amendments. The financial responsibility bill provides for revocation of a driver's license when he fails to satisfy any money judgment obtained against him as the result of an accident, if the judgment is not satisfied within 30 days. To obtain his right to drive an automobile again, the driver must show financial responsibility to meet judgments either through liability insurance or a bond in the maximum amount of \$11,000.

New York—Governor Lehman vetoes bill modifying financial responsibility measure by providing that judgment debtor may be allowed license for six months with consent of judgment creditor instead of immediate revocation.

Wisconsin—Assembly engrosses bill relieving insurance companies of part of their liability in comparative negligence cases. Under the comparative negligence law where two or more people are found guilty of negligence in an accident, they share the damages according to the percentage of their negligence. However, the company insuring either party must assume the entire damage if the other man is uninsured and cannot pay.

Ontario—Several bills affecting automobile insurance have been enacted. One removes the passenger liability hazard. A second is aimed at cut rates for synthetic fleets by making preferential rates for such owners illegal, and leaves the interpretation of this provision to the courts, not to the insurance department. There is also an amendment to remove the professional adjuster by providing that only lawyers can represent parties to such negotiations.

Michigan—New bill requires compulsory automobile public liability and property damage coverage for all commercial motor vehicles.

SURETY

Nebraska—The house has passed the senate bill reducing from \$200,000 to \$100,000 the amount of capital hereafter required for new domestic bonding companies.

Missouri—Governor Park has vetoed the bill providing that administrators, executors, etc., having funds in trust may elect to give surety bonds, to be paid out of the proceeds of the estates in their charge. The governor said the probate judge has discretion to permit or refuse to permit the charging of cost of surety bonds, where same is required, against the estates in their charge.

COMPENSATION

Michigan—A new bill permits compensation commission to reopen for review former orders regarding physical condition of employees. Reviews are now confined to weekly payments.

GENERAL

Texas—Bill passes house providing penalty of 12 percent damages and attorney's fees for failure to pay any loss within 30 days.

Pennsylvania—Bill introduced prohibiting issuance of limited policies. *** Another bill prohibits termination or forfeiture of noncancellable accident and health policies without written notice.

Nebraska—Both houses have passed the bill that forbids, on penalty of year's suspension of license, any combination between agents and companies or between companies or between agents for the purpose of preventing or lessening competition or controlling the business in their respective lines. The bill grew out of the dispute over State Treasurer Hall's \$1,000,000 bond last January.

Illinois Figures in 1934 for Reciprocal Exchanges

LEADERS IN PREMIUMS GIVEN

Chicago Motor Club Led All the Other Organizations in the State Business

The Illinois department in its preliminary figures for last year gives the figures for interinsurance exchanges and Lloyds. The Illinois reciprocals writing automobile had premiums last year of \$2,361,108 and incurred losses \$893,427. The leader was the Chicago Motor Club with \$1,466,144 premiums and \$586,341 losses. The Farmers Automobile of Pekin had \$217,743 premiums and \$82,531 losses. It was closely followed by the Economy Auto of Freeport with \$215,773 premiums and \$79,944 losses. There were two nonstate reciprocals writing a small amount of automobile business with premiums of \$2,005 and losses of \$1,564.

Other Concerns' Figures

The Chicago Brick Exchange is the only Illinois reciprocal writing a general liability business, its premiums being only \$2,568. There are four outside reciprocals writing general liability, their premiums being \$319,330 and losses \$162,605. The leader is the Consolidated Underwriters of Kansas City with \$227,492 premiums and \$108,342 losses.

The Chicago Lloyds Illinois casualty premiums amounted to \$452,983, losses \$234,959.

The London Lloyds premiums amounted to \$1,374,124 in Illinois and the losses were \$361,008.

F. P. Stanley Has Resigned

F. P. Stanley, who formed a connection with the American Indemnity in June of last year, and who has since his association with it been devoting his entire time to the development of the agency plant in Ohio with headquarters at Cleveland, has resigned. He was formerly vice-president of the Glens Falls Indemnity and then occupied a position as head of the agency department of the old Lloyds Casualty.

Ohio Liquor Premium Cut

After considerable agitation by the newspapers of the state, the Ohio liquor control department has brought about a cut of more than \$8,000 in the 3-year premium on a burglary policy taken out with the Indemnity of North America. The original bid of \$56,000 was accepted by the liquor department in spite of the fact that the National Surety had made a bid of \$48,000. It is understood that the premium on the new policy will be \$47,916.

Oklahoma Delays Action on Deposit Requirement

Commissioner Jess G. Read has announced that for the time being he will not require casualty companies writing workmen's compensation in New York state to deposit with the Oklahoma insurance department securities or surety bonds to protect workmen's compensation claimants in Oklahoma. The commissioner expects Governor E. W. Marland to request the special session of the legislature to enact a law similar to that in force in Minnesota and New York. In event the legislature fails to enact such a measure, Mr. Read says he will later require the posting of a bond or securities, as he had announced early in the year.

Time Saver for A. & H. Men Soon to Come From Press

DIGESTS SOME 1,000 POLICIES

Annual Compilation of Commercial
Contracts, Company Data, etc.,
More Comprehensive

When the new Time Saver for accident and health insurance comes from the press this month, it will contain almost 1,000 commercial policies, according to advance notices from the publisher. This policy reference book not only gives all the provisions of each commercial accident and health contract for the 95 leading companies, but contains in addition rates for every contract for all ages. Moreover, it gives the limitations clauses in full for every policy in the book. Companies listed do about 90 percent of the commercial accident and health business in the United States. This book will be the 12th annual edition.

For the first time, this 1935 Time Saver will contain the contracts of the Lumbermen's Mutual, American Savings Life and Illinois Bankers' Life, along with policies of all the companies included in previous editions.

Compilation Cost Heavy

Thousands of dollars are spent to gather, analyze and compile this reference book for accident and health insurance men every year. Unusual care is exercised to make the information accurate. The result is a book that is almost indispensable to disability insurance salesmen.

In addition to the 850 pages of policy information the book also will contain a list of the companies writing non-cancellable accident and health insurance, financial statements of 160 accident and health companies and an outline of provisions of disability clauses of leading life insurance companies.

The Time Saver is indexed carefully, four separate indexes being used to enable the user to locate contracts and other information quickly. A special index of the companies gives names of officers, addresses, states in which the company is licensed to do business and information about the manual each company uses. Several pages of sales facts and disability statistics are included in the back part of the book. It is printed on Bible paper in convenient size, about the size of a manual, 4x6 inches. The book is published by the National Underwriter Company, 420 E. Fourth Street, Cincinnati, O. The book sells for \$4.

Accident Cost 1 Cent Per Mile

NEW YORK, May 1.—Based on the aggregate of 146 billion miles traveled last year, and accident costs of approximately \$1,500,000,000, motorists in 1934 paid an average of 1 cent a mile because of road accidents. Such is the result of a computation by the Fidelity & Casualty.

Motor vehicles consumed close to 14,600,000 gallons of gasoline last year, or 85 percent of the total domestic consumption.

As a result of 1,250,000 fatal and disabling injuries during the 12 months, the financial charge in round figures was \$1,570,000,000, of which \$770,000,000 went for medical expenses, insurance costs and wage loss, while the remaining \$800,000,000 was the approximate property damage.

More Iowa Figures

The Travelers Mutual Casualty wrote \$96,440 in premiums in Iowa in 1934 and paid \$24,438 in losses. The principal lines were: Automobile liability premiums \$43,188, losses \$4,848; automobile property damage premiums \$43,639 and losses \$6,624. These figures were not received in time to be included in the Iowa casualty table published last week.

Surety Men to Eye Contract Bond Risks With Caution

ANTICIPATE LARGE VOLUME

Federal Construction Program Will
Stimulate Bond Business But Con-
tractors Must Be Watched

NEW YORK, May 1.—As soon as a decision is reached by the federal administration as to particular public work projects to be paid for out of the huge appropriation made by Congress recently, construction bonds will be required and surety companies anticipate heavy offerings in that connection. While appreciative of new business possibilities, the companies recognize that extreme caution will have to be exercised in the acceptance of risks. Contractors of high professional attainment are so eager for work these days that they are bidding on projects far beyond their financial ability to carry through. Instances have occurred in the recent past where general contractors, appreciating they had all the load they could safely assume, yet bid for further work through the medium of subsidiary or allied interests, hoping thereby to pass the rigid requirements of surety offices. A further factor calling for caution is that many of the projects contemplated by the administration in order to supply work for several millions of the now unemployed are likely to develop unlooked for hazards that might prove highly expensive. Furthermore, the work will be immediately supervised by regulatory bureaus free to impose requirements not usually encountered in government stipulations during normal seasons. Altogether the situation underwriters appreciate is one that calls for careful study, which will be given to each project when completion bonds on them go the rounds of surety offices.

The Ohio Farm Bureau Automobile of Columbus has added to its board of directors O. J. Bailey of Columbus; P. L. Green, Hiram; H. C. Fast, Napoleon; H. S. Nolt, York, Pa.; A. S. Packard, Burlington, Vt., and C. E. Wise, Jr., Baltimore.

Going Back Home



E. J. SCHOFIELD

E. J. Schofield, vice-president of the Globe Indemnity of New York, has resigned to return to his old home at Detroit where he will direct the publication of house organs for insurance companies and agents as well as for commercial and industrial institutions of all kinds. In addition he will be associated as advertising counsel and executive officer with the C. E. Rickard Advertising Agency at 644 Temple avenue, Detroit. The Rickard agency specializes on insurance advertising and insurance sales material.

Mr. Schofield or "Scho," as he is familiarly known, has been in the casualty and bond business for 27 years and is a very magnetic and colorful figure. He was formerly a lawyer, engaged in private practice in Michigan and came in contact with insurance through his law practice. He specialized on insurance law and claim work and later on connected with the Standard Accident, directing agency develop-

New Liability Rate Schedule Drafted in Massachusetts

IS SUBMITTED TO ACTUARIES

May Be Made Public in 10 Days—In-
surance Men Can't See How
Change Can Be Made Now

BOSTON, May 1.—Information is given out from the Massachusetts insurance department that the new commissioner, Francis J. DeCelles, has submitted a new schedule of lower automobile liability insurance rates under the compulsory law to a number of actuaries of leading casualty companies and if they meet with the approval of a majority, the schedule will be made public within ten days.

Insurance interests are somewhat at a loss to understand the significance of the announcement, although fully aware it follows along the ideas of the governor, who made it one of his campaign issues last fall that he would not reappoint Commissioner Brown because he had not lowered the liability rates and that a new commissioner would be appointed. A promise was given of lower rates.

As the rates for the present year have already been adopted and gone into effect under the law, it is not conceivable that an effort will be made to change the 1935 rates. On the other hand, rates for 1936, under the law, cannot be promulgated until after a public hearing has been held and under the statute need not be issued until Sept. 15.

ment and management, he being superintendent of agents. He won an enviable reputation in this field and later he became vice-president and a member of the board of directors. He has spoken before many insurance bodies and has contributed much to the literature of insurance.

NOT TO FILL SCHOFIELD'S PLACE

NEW YORK, May 1.—The vacancy in the official staff of the Globe Indemnity created through the resignation of Vice-president E. J. Schofield, will not be filled, the duties hitherto performed by him being apportioned among the other officers.

National Bureau Election

NEW YORK, May 1.—In addition to the election of officers, the National Bureau of Casualty & Surety Underwriters at its annual meeting May 8 will select members of the executive and of the various standing committees. The present executive committee consists of the Aetna Life, American Surety, Bankers Indemnity, Continental Casualty, Fidelity & Casualty, Fireman's Fund Indemnity, Globe Indemnity, Great American Indemnity, Hartford Accident, Hartford Steam Boiler, London Guarantee, Maryland Casualty, Massachusetts Bonding, New Amsterdam Casualty, Ocean Accident, Royal Indemnity, Standard Accident, Sun Indemnity, Travelers and United States Fidelity & Guaranty.

Casualty Statisticians Elect

NEW YORK, May 1.—G. D. Moore, comptroller Standard Surety & Casualty, was reelected president of the Association of Casualty & Surety Accountants & Statisticians at the annual meeting. Other officers chosen are: C. E. Woodman, comptroller Ocean Accident, vice-president, and C. G. Vanderfeen, statistician National Bureau of Casualty & Surety Underwriters, secretary.

Casualty Notes

The Ohio Casualty has been licensed in Arkansas.
Loren W. Garlicks, St. Joseph, president Missouri Association of Insurance Agents, has taken on the Massachusetts Bonding.

Continental Casualty Stream-Lined



The Continental Casualty of Chicago initiated a clever hospitality stunt when it chartered the famous Burlington railroad streamline Zephyr, the crack, fast train that runs to the Twin Cities. Arrangements were made to take a number of brokers, other business getters and some special friends of the company, particularly associated with the Chicago branch to Aurora, Ill., and return. Luncheon was served enroute. R. D. Weilbrenner, treasurer of the company, went along and made some favorable comment on the smooth and comfortable way in which the train took the top speed. The round trip required

one hour and 15 minutes. Arrangements were made by Horace Holcomb, an associate in the Chicago branch of the Continental Casualty, who is a son of the vice-president and traffic manager of the Chicago, Burlington & Quincy Railroad Company.

Norman O. Hoag and H. A. Glasgow, vice-presidents in the Chicago branch, and Harlow Brown, eastern resident vice-president, New York, who was visiting in Chicago, were on board. There was an average speed of 80 miles an hour made. It passed through the Hinsdale insurance colony at 103-mile speed.

Treasury Qualified Surety List

The United States Treasury Department has issued its report on acceptable sureties as of April 15. The following figures show the net limit accepted on any one bond, which represents 10 percent of the capital and surplus:

	Net Limit on Any One Bond
Associated Indemnity	\$ 147,000
Fireman's Fund Indemnity	302,000
National Automobile	38,000
Occidental Indemnity	144,000
Pacific Indemnity	316,000
Aetna Casualty	1,242,000
Century Indemnity	235,000
Hartford Accident	1,000,000
Mellbank Surety	785,000
Saint Paul-Mercury Indemnity	155,000
American Motorists	139,000
Continental Casualty	448,000
Inland Bonding	45,000
Kansas Bankers Surety	47,000
Western Casualty & Surety	96,000
American Bonding	146,000
Fidelity & Deposit	481,000
Maryland Casualty	728,000
United States F. & G.	927,000
American Employers	236,000
Massachusetts Bonding	349,000
National Casualty	125,000
Standard Accident	270,000
Central Surety	175,000
Employers Reinsurance	345,000
Bankers Indemnity	121,000
Commercial Casualty	202,000
Excess	173,000
International Fidelity	182,000
American Re-Insurance	402,000
American Surety	1,040,000

	Net Limit on Any One Bond
Columbia Casualty	293,000
Eagle Indemnity	232,000
Fidelity & Casualty	645,000
General Reinsurance	256,000
Glens Falls Indemnity	220,000
Globe Indemnity	750,000
Great American Indemnity	270,000
Home Indemnity	195,000
London & Lancashire Indemnity	154,000
Metropolitan Casualty	161,000
National Surety	406,000
New Amsterdam Casualty	453,000
New York Casualty	130,000
*Preferred Accident	239,000
Royal Indemnity	547,000
Seaboard Surety	152,000
Standard Surety	270,000
Sun Indemnity	234,000
United States Casualty	194,000
United States Guarantee	472,000
Yorkshire Indemnity	108,000
Ohio Casualty	105,000
Western & Southern Indemnity	187,000
Eureka Casualty	80,000
Indemnity of North America	286,000
Western Surety, S. D.	44,000
American General	68,000
American Indemnity	157,000
Commercial Standard	69,000
Employers Casualty	50,000
Texas Indemnity	38,000
Trinity Universal	178,000
General Casualty, Wash.	127,000
United Pacific Casualty	68,000
*Employers Liability	633,000
*European General Reinsurance	250,000
*Guarantee of North America	148,000
*London Guarantee & Accident	457,000
*Ocean Accident	395,000
*Reinsurance only.	

Credit Executive Speaker at U. S. Chamber Gathering

(CONTINUED FROM PAGE 3)

major problems of social security. Unemployment remains outside.

In speaking of the record of insurance, he said:

"The responsible insurance companies have had a very good record. This challenges government insurance programs. Private operation of insurance companies has been responsible for the correction of many of the earlier abuses. The industry has been fair, it has been conservative and it has performed a real service."

He thinks that the insurance companies have a responsibility in connection with claims that are not according to contract and are more or less fraudulent. He said in this connection:

"My personal observation is that many claims insurance companies are called upon to meet and which reputable manufacturers and property owners must absorb would not stand the light of critical investigation. It is as much to the interest of industry as it is to the interest of the insurance companies that no fraudulent claims be allowed. I am not familiar with the type of organization the insurance companies have for the purpose of investigation of fires. I do know that in my experience as civilian commissioner of a fire department the fire chief 'would occa-

sionally report to me a suspicious fire. I was surprised to see many of these claims paid even though the suggestion was made that the fire might not stand careful investigation. I submit that in some instances unfortunately local creditors were more interested in protecting the culprit than in fairly reporting what they believed to be a fact. "We had a similar condition in the credit field where men by use of false financial statements and other fraudulent means would get merchandise and then defraud the creditors. American industry demanded a correction of these commercial frauds. American business men came to our organization and financed an investigation and fraud prevention department. That was seven years ago. As a result of the work of our investigation department approximately 1,600 commercial criminals have been sentenced to the penitentiaries and the assets recovered for creditors are in excess of the cost of doing the job.

Good Work Has Been Done

"There is little wonder therefore that commercial crime has been discouraged. We have put the fear of the law in this criminal class and while public authorities in the past few months have been ballyhooing the prevention of crime, during the past seven years we have silently gone about our work, and with the aid of prosecuting officials, have done a very effective job. It may not be out of order to suggest that you in

the insurance field and those of you who pay the insurance premiums should utilize fully your present facilities for this service or, perhaps, develop more completely the present organizations for this purpose."

Forbid Ambulance Chasing

NEW YORK, May 1.—Ambulance chasing and fee-splitting by lawyers and laymen now is prohibited in New York state, Governor Lehman having signed the bill forbidding these practices.

New York Federation Meeting

The New York State Insurance Federation will hold its annual meeting at Utica, June 7-8 at the Hotel Utica. J. H. Miller has been appointed general chairman of the local committee on arrangements.

New Commissioner to Speak

R. G. Waters, newly appointed Texas casualty insurance commissioner, will be the chief speaker before the Dallas Insurance Agents Association at a luncheon May 15.

Casualty Engineers to Meet

The Casualty Engineers Association of Chicago will hold its monthly meeting Friday night in the Chicago Board auditorium. There are a number of important matters to come up and there will be an address by Chairman P. J. Angsten of the Illinois Industrial Commission on "Occupational Diseases." J. C. Bradley of the Zurich, who is president of the organization, will preside.

Standart Made Liquidator

F. W. Standart of the Denver general agency of Standart, Main & Brewster has been appointed deputy insurance commissioner of Colorado to take charge of the liquidation of the Pacific States Life. J. G. Donaldson, who was originally appointed, was compelled to resign.

California Relief Sought

SAN FRANCISCO, May 1.—About 600 employers of California, operating industries directly concerned with the threat of heavy silicosis claims, are being organized to present a determined stand to obtain remedial legislation from the present California legislature. Three bills are now being considered by the state senate. They provide for modifications of the present law relating to occupational disease compensation, which now is unlimited in any manner. Supporters of the bills state that unless the law is modified compensation carriers will be confronted with a serious problem. D. W. Burbank, attorney California Inspection Rating Bureau, and F. J. Creede, former manager of the state compensation insurance fund, are leading the drive for legislative relief.

Mechanical Limitation of Auto Speed Favored

LANSING, MICH., May 1.—The public is ready to accept mechanical limitation on the speed of automobiles as a means of halting the horrifying rise in the accident rate, judging from the results of a survey in four middle western states just completed by the Wolverine.

The survey was made through Wolverine agents in Michigan, Ohio, Indiana and northern Kentucky but it did not include Wolverine policyholders and it was confined exclusively to automobile owners. Compilation of the answers to two questions: "Should automobile speeds be mechanically limited by federal law?" and "What maximum speed should be adopted?" showed that three of every four motorists favor such a drastic step to curtail top speed of all motor vehicles and that the average maximum speed suggested was 50.25 miles per hour.

No Arguments Advanced

Agents who made the survey were not permitted to advance arguments for either side of the question but they did keep a record of comments by those canvassed. Every effort was made to obtain a cross-section opinion by selecting a varied group to be questioned. No insurance people were included and the company did not even canvass sentiment in Lansing, its home city.

Walsh Resumes Law Practice

Announcement is made that William C. Walsh, Maryland commissioner, who has been a member of the legal firm of Tydings, Walsh, Levy & Archer of Baltimore for the past three years, is returning to the active practice of law with that firm.

Ohio Passes Motor Bills

The Ohio house has passed the drivers' license bill. The senate passed it some time ago with the proviso that a fee of 25 cents for each license should be charged. The house amended this by making the fee 60 cents. The bill now goes to the senate for reconfirmation owing to the changes. It is expected that the senate will pass the bill. Governor Davey urged the 60 cent fee in order to provide sufficient funds to meet the expenses. At the same time a financial responsibility measure was passed which is modeled after the American Automobile Association bill.

New Century Has Increase

Substantial increase in business in the first four months was reported by President Albert Kahn of the New Century Casualty, Chicago, at the annual meeting, and a satisfactory underwriting profit was made. The 11th anniversary is being observed this month. All officers were reelected.

Miss Helen Burney, Aurora, Mo., has taken over the business of the C. V. Wheat agency there.



AGENTS

We can use a few high class reliable agents in towns where we are not already represented.

A Sound Stock Company

writing a preferred line of Automobile
and Plate Glass Insurance.

(Ratio of Assets to Liabilities more than 3 to 1.)

SUBURBAN AUTO INSURANCE COMPANY
LOMBARD, ILLINOIS

U. S. Chamber of Commerce Gathers

(CONTINUED FROM PAGE 1)

competing cities' loss show a saving of \$25,000,000.

The round table conference on insurance aroused a great deal of interest among business men as well as representatives of the insurance industry although the field under consideration was so well covered by Col. C. B. Robbins, manager and general counsel American Life Convention, Chicago, and H. H. Heimann, executive manager National Association of Credit Men, that there was little material for general discussion from the floor.

Colonel Robbins Talks

Speaking on the policyholder's stake in American business stability, Colonel Robbins declared that with sixty-five million men and women "partners" in the business, with an average policy of \$1,675 in institutions with assets of \$22,000,000,000, it is apparent that the vast majority of families in the country have a real and substantial interest in the stability of American business.

Appropriations for the Home Owners' Loan Corporation indicate that it will eventually hold mortgages on 30 percent of the nation's homes and the government will be the largest individual owner of such paper in the country.

"There is a direct relationship between insurance and credit," it was declared by Mr. Heimann, discussing fire and casualty insurance from the business man's point of view.

Attacks Insurance Frauds

Speaking of his experience in reducing commercial fraud, Mr. Heimann suggested that there was a tremendous field for the reduction of insurance frauds.

Further, he said, investigation by his organization indicates that few business men have availed themselves of all the avenues of protection offered by insurance, nor do those who carry insurance always avail themselves of the possibilities of increasing the amount of protection they receive for their money by having scientific studies made.

Consider Policies in Inflation Time

(CONTINUED FROM PAGE 25)

regardless of increased payroll receipts. As against the advantages cited, they hold there is likely to be a sharp increase in number of industrial accidents in connection with heavy employment gains, a considerable percentage of workers taken on will be unskilled and subject to accidental injury in greater degree than trained employees.

A far more serious condition, however, casualty officials declare, is the extension of compensation indemnity to cover occupational diseases, a kind of claim virtually unknown in years past. Many such claims are being filed, with the prospect of increasing in number as news that substantial sums can be secured through disability allegedly due to occupational diseases gains currency among industrial workers.

Buck Prepares Historical Material on Fireman's Fund

(CONTINUED FROM PAGE 8)

Manager Hannah's department. As a dedication on the front page, Mr. Buck indited some sentiment which has been set down in illuminated script letter form, reading as follows:

"In commemoration of 50 years of distinguished achievement, these mementos are affectionately presented to the eastern department by its forebear, the western department. May those sterling

attributes of David J. Staples, William J. Dutton, Thomas S. Chard and other master builders who supplied the materials for the foundation upon which the eastern department was reared, ever be reflected in that excellence of administration that has characterized its progress for half a century."

National Association's "Ad" Program Outlined by Dodge

(CONTINUED FROM PAGE 8)

tional advertising. For agents there will be 48 newspaper "ads," 12 dramatized five-minute radio programs and other forms of publicity similar to that for the boards.

Mr. Dodge declared the bill in congress to prevent direct mail operation of insurance companies is not dead yet. In fact, he expressed himself as optimistic over the outcome.

Eugene S. Davis, new president of the Insurance Board, Cleveland, wielded the gavel.

Clark to American Auto

R. L. Clark has been appointed Cook county special agent of the American Automobile, operating out of the branch office in the Insurance Exchange, Chi-

cago, managed by E. D. Loring. Mr. Clark has had 14 years' insurance experience, all in Chicago. He first was connected with the Hartford Accident, in office and then as special agent in Cook county. After seven years he became special agent of the Bankers Indemnity in the county, and three years ago went with the Griffin, Ingram & Piaff agency as broker.

Important Affiliation Made

"Insurance Bar" Will Handle the Directory of Insurance Attorneys for "Insurance Decisions"

R. M. Chandor of Indianapolis, publisher of "Insurance Decisions," affiliated with THE NATIONAL UNDERWRITER and "Rough Notes," announces an important affiliation which has already been effective. The "Register of Attorneys and Independent Adjusters" heretofore appearing in "Insurance Decisions," is to be conducted by the Bar List Publishing Company, publisher of the "Insurance Bar." The "Insurance Bar" is widely recognized as the foremost annual directory of insurance attorneys.

The "Attorneys and Adjusters Register," begun in January a year ago in "Insurance Decisions," demonstrated the

usefulness of the service. Under the cooperative plan the comprehensive directory of insurance counsel, claims attorneys and independent adjusters published annually in the "Insurance Bar" will be supplemented monthly by the registers in "Insurance Decisions," providing an up to the minute service.

Washington Experience Better

The state of Washington's casualty underwriting experience showed marked improvement during 1934 with a loss ratio for all casualty lines of 43.5 percent. Net premium writings in all casualty lines totaled \$9,299,845 and losses incurred amounted to \$4,048,930, according to a tabulation published in the "Washington Agency Bulletin." The United Pacific Casualty again led all companies with net premiums of \$737,137 and losses incurred of \$300,101. The loss ratio for all companies in 1933 was 50.9 percent.

Minnig With United Benefit

M. L. Minnig of Fargo, N. D., a life insurance man for 15 years, formerly with the Guarantee Mutual of Omaha, has joined the United Benefit Life and Mutual Benefit Health & Accident as agency supervisor in the Fargo office, of which C. T. Tollefson is state manager.

The Bankers Indemnity furnishes dependable protection, and efficient, nation-wide service.

**BANKERS INDEMNITY
INSURANCE COMPANY**

Newark, New Jersey

One of the American Group

ACCIDENT AND HEALTH FIELD

Fight California Fund Bill

San Francisco Accident & Health Managers Join Opposition—Pittsburgh Organizations Against Inimical Measures

SAN FRANCISCO, May 1.—With a majority of the California newspapers, labor leaders and physicians all praising and favoring compulsory state health insurance, the Accident & Health Insurance Managers Club of San Francisco has joined with the Industrial Association of San Francisco in organizing opposition to the bill now before the California senate. The managers are also appealing to other insurance men for support.

The bill sets up quite an elaborate scheme to issue health insurance to all workers earning less than \$3,000 a year on a contributory basis. A health insurance commission is proposed, composed of five members, two of whom shall be physicians. In addition there is to be a medical man selected as a director at a salary to be fixed by the commission. Each member of the commission will receive a salary of \$8,000 a year.

OPPOSE BILLS IN PITTSBURGH

PITTSBURGH, PA., May 1.—The Pittsburgh Accident & Health Managers Association, the Casualty General Agents & Managers Association of Pittsburgh and the Insurance Club of Pittsburgh are actively opposing the following measures in the Pennsylvania legislature: Requiring that premium notices on noncancellable policies be continued regardless of the policyholder's state of health; that it shall be unlawful for the company to deprive the policyholder of his protection by coercing him to sell his policy back to the company; denying a company the right to confidential records and files of hospitals after a policy has been issued except in case of fraud; prohibiting companies from issuing limited policies. The organizations feel that the proposed legislation is detrimental in its entirety to the insurance business from both the interests of the companies and the agents. It was erroneously stated in THE NATIONAL UNDERWRITER that the Pittsburgh agents are backing these measures.

Mutual Companies' Figures Are Given for Illinois

The assessment accident and health companies of Illinois received in premiums in their home state last year \$2,682,434 and paid in claims \$1,742,301. The leader was the Illinois Commercial Men's with \$1,464,351 premiums and \$1,045,806 losses. The Illinois Traveling Men's Health was next with \$1,031,657 premiums and \$646,569 losses.

The assessment accident and health companies of other states wrote \$483,598 premiums and paid in claims \$287,545 in Illinois. The Mutual Benefit Health & Accident of Omaha led with \$454,231 premiums and had claims of \$277,507.

There are two Illinois assessment life companies operating under the act of 1927 that write health and accident, their premiums being \$69,517 and losses \$18,664. Both are Negro companies, the Protective Mutual Life and the Unity Mutual Life.

New York Lectures Arranged

The New York City Accident & Health Club will hold a series of lectures as an educational program. The committee has I. W. Winslow as chairman. The first lecture will be delivered by E. H. O'Connor, United States Casualty, chairman of the Bureau of Personal Accident & Health Underwriters.

Edwin A. McCord President

Succeeds His Father as Head of the Illinois Mutual Casualty of Peoria

Edwin A. McCord, vice-president of the Illinois Mutual Casualty of Peoria, Ill., has been elected president to succeed his father, the late O. L. McCord. C. C. Inman was elected vice-president and agency director and Miss Grace Edwards was reelected secretary-treasurer. Mr. McCord has been connected with the company for five years as vice-president and was chief assistant to his father. Before joining the Illinois Mutual Casualty he was an attorney, having practiced for 12 years in Texas and Illinois. He attended Northwestern University and received his law degree at Hamilton College of Law in Chicago.

Mr. Inman has been with the company eight years and Miss Edwards more than 16 years.

O. L. McCord founded the Illinois Mutual Casualty 25 years ago and served as its president until his death last February.

The company commemorated its 25th anniversary this week at an agency meeting at the home office with representatives present from the five states in which it operates. Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, was the principal speaker.

Aetna Life Analyzes Its Accident Claims in 1934

In analyzing the claims paid to personal accident policyholders last year, amounting to more than \$1,500,000, the Aetna Life finds that 29.34 percent of the total number were on account of auto accidents, of which more than one-third were due to collisions.

Home accidents accounted for 22.51 percent of the claims paid, but automobile accident claimants collected 43.17 percent of the total paid for all accidents as compared to 18.79 percent paid to home accident claimants.

Sports accidents caused 15.9 percent of the claims, baseball proving the most hazardous, then golf, bathing, tennis or squash and horseback riding. There were about the same number of football accidents as dancing accidents, and more people were hurt playing tennis than hunting.

	Percentage of Number	Percentage of Amount
Automobile	29.34	43.17
Home	22.51	18.79
Pedestrians	8.60	4.29
Sports and recreation	15.90	8.65
Travel	1.48	7.43
In buildings (other than home)	14.29	8.87
Outside	6.97	6.30
Miscellaneous91	2.50

Chicago Claim Men Eat on Dinners, Hear Talk by Keeler

The Chicago Claim Association has prepared an unusual lineup for its next meeting, May 8, the last one of the present season, at which wives and sweethearts of the members will be guests of the association.

The dinner will be served on dining cars of the Chicago, Milwaukee & St. Paul railroad at the Union Station. The party will assemble in the Union Station at 5:30 p. m., daylight saving time. Three dinners, and more if necessary, will be backed down early, giving the members of the association and their guests ample time to finish their meal before the rush of passengers for the outgoing trains starts. Reservations received so far by President T. W. Hislop indicate that 100 or more will be present. Arrangements for the dinner,

including a special souvenir menu, have been handled by L. M. Jones, superintendent of dining cars for the Milwaukee, who will welcome the party, and his assistant, W. C. Juhnke.

Following the dinner, the regular meeting will be held in the auditorium of the Union Station, when Dr. Leonarde Keeler of the scientific crime detection laboratory of Northwestern University will give an illustrated address on "Recent Advances in Crime Detection Methods," bringing in many striking facts and illustrations which are expected to be of especial interest to the ladies in attendance as well as the members of the association.

Rex Bixby Is Out

Rex Bixby, vice-president of the American Life of Denver, Colo., which was placed in the hands of a receiver April 10, is now off the payroll. The day before the receiver was appointed he had accepted the position of general manager after the board had urged upon him to take this office for a month. The appointment of a receiver naturally catapulted him out of his position. He has instituted suit for damages under his contract. Mr. Bixby went with the company not long ago to establish its health and accident department and had just gotten started when the company became involved in difficulties. Naturally he had nothing to do with the trouble.

Edson Extends Organization

NEW YORK, May 1.—Since L. D. Edson became manager of the New York Safety Reserve Fund of this city, a year ago, the organization has taken on a new lease of life, intensifying its activities in both New York and New Jersey, where it operates. Possessing a charter authorizing the granting of both life and accident benefits under one cover, the fund issues certificates to both men and women from ages 18 to 49 inclusive, and at the same rate, \$2 per month for a death benefit of \$200, or a weekly benefit of \$12. Soliciting is primarily among the industrial classes. Mr. Edson was formerly manager of the accident and health department of the Zurich at the head office in Chicago.

Opens New Department

KANSAS CITY, MO., May 1.—The C. F. Crist & Co. general agency is establishing an accident and health department to service Kansas and Missouri local agents and will represent the Inter-State Business Men's Accident of Des Moines on a general agency basis.

J. M. Llewellyn, an experienced accident and health man and for seven years associated with the Prudential in Kansas City, will be in charge of the new department.

Equitable May Return

NEW YORK, May 1.—The Equitable Life, it is reported, will seek re-entry to the Bureau of Personal Accident & Health Underwriters, from which it withdrew two years ago.

General American's Good Record

Paid premiums in the accident and health department of the General American Life the first quarter were about 50 percent of the total for the entire year 1934.

Pittsburgh A. & H. Week Good

PITTSBURGH, May 1.—Splendid results were obtained here in the observance of National Accident and Health Insurance Week under the auspices of the Pittsburgh Accident & Health Insurance Managers Association. From the estimated reports of general agencies and branch offices here, the week's activity resulted in a substantial increase in new written accident and health business.

Radio addresses were made from local stations by Lon C. Jeffrey, W. E.

PERSONALS

George G. Goetz, of Hoff & Goetz, Milwaukee, managers for Wisconsin and upper Michigan of the U. S. Fidelity & Guaranty, and widely known Boy Scout leader, has been named general chairman for the annual Scout roundup in Marquette University stadium, Milwaukee, June 15.

C. R. Newhouse, general underwriting superintendent for the Phoenix Indemnity and the London Guarantee & Accident in New York, is on a tour of the Pacific Coast field, visiting Los Angeles, San Francisco and the Pacific Northwest.

A. Duncan Reid, president Globe Indemnity, is on his annual trip to the Pacific Coast. He is now in Los Angeles, planning to go thence to San Francisco for a conference with the departmental manager, and stopping at Denver en route home. He is expected back about the middle of May.

J. A. Beha, general manager National Bureau of Casualty & Surety Underwriters, is in Washington attending the convention of the United States Chamber of Commerce.

General Manager R. M. Naef at the head office of the Zurich has been visiting the United States office in Chicago, conferring with Manager A. W. Collins. Mr. Naef has not been in the country for something over two years.

T. S. Kelly, veteran Omaha representative of the Travelers, was honored on his 70th birthday at a luncheon given by the good fellowship committee of the Omaha Chamber of Commerce. Because of his contribution to Omaha's civic development, he was presented a certificate of merit. Not more than a half dozen Omaha citizens have been so honored.

Harold R. Gordon, executive secretary Health & Accident Underwriters Conference, Chicago, will be honor guest at a dinner in Omaha May 13, tendered by health and accident men of Omaha and Lincoln, Neb. About 100 are expected. L. K. Bourke of the Mutual Benefit Health & Accident is in charge of arrangements.

Alabama Long Haul Requirement

Superintendent Julian of Alabama has been advised by the public service commission that hereafter it will not accept liability insurance on long haul, motor truck freight carriers, unless it is written by companies having a rating of "A" or better.

Would Put in Operator's Policy

Hearing on application of the Indemnity of North America for permission to put into effect in Virginia an automobile liability rate manual for a selected operator's policy is scheduled to be heard May 25 before the corporation commission.

Stumpf, W. M. Ivey, C. W. Elton and B. F. Davis.

Results in Philadelphia

Eighteen Pennsylvania industrial health and accident companies, located mostly in Philadelphia, wrote \$2,698,177 in premiums in 1934. The largest of these is the Philanthropic Mutual with \$515,845; others include: Industrial H. A. & L., \$360,079; Progressive L. A. & H., \$273,098; Superior L. A. & H., \$259,687; State Mutual Benefit, \$199,228; National Accident & Health, \$144,587; Charter Mutual Benefit, \$138,821; Alta Life, \$120,220; Philadelphia Mutual Aid, \$104,227. The others have less than \$100,000 in premiums.

FIDELITY AND SURETY NEWS

Begin to Write Liquor Bonds

Surety Companies Look With More Favor on the Class Where Laws Are Reasonable

While most surety companies have shied at liquor bonds which run to the state, they are now writing them more freely except in states like Illinois where the liability is very heavy. In Michigan the liability is lighter than in many other states but even there the companies are taking a shot at the business. The Illinois law is regarded as the most dangerous of all the states. Surety companies feared to take on this business because of the contingent liability but where the state is only interested in penalties for not observing the law, the experience has been favorable. Now a number of companies are going after the liquor bond business.

Deposit Guaranty Fund to Seek \$5,000,000 R. F. C. Loan

MADISON, WIS., May 1.—Another \$5,000,000 loan from the Reconstruction Finance Corporation will be sought by the state board of public deposits to reimburse the state, counties, municipalities or school districts for deposits tied up in banks insured by the state deposit board. The insurance fund was created three years ago after many banks had closed and the board became surety in the state for virtually all deposits of public funds.

An enabling bill just passed by the legislature will permit the board to apply for another loan. Several other changes are also contained in the bill, amending the original law. They permit the board to sue and be sued, cancel the board's authority to contract for reinsurance of public deposits for which it acts as surety, and allow the board to fix premium rates on daily balances of public deposits.

Zinn Milwaukee President

MILWAUKEE, May 1.—At the annual meeting of the Surety Underwriters Association of Milwaukee, B. F. Zinn, Continental Casualty, was elected president to succeed A. J. Goddard, Aetna Casualty; Alfred Fuller, National Surety, vice-president, and E. F. Halkey, Gaedke-Miller Agency, reelected secretary-treasurer. The executive committee consists of A. J. Goddard, B. F. Zinn, C. D. Marks, American Surety; W. M. Wolff, Fidelity & Deposit, and A. A. Miller, Maryland Casualty.

Holds Up Payments

LINCOLN, NEB., May 1.—State Auditor Price has refused to issue warrants for the claims filed with his department by agents of several of the companies that wrote State Treasurer Hall's new million dollar bond with a \$10,000 premium for the biennium, until he can be informed upon what basis the bond will be canceled after the state monopoly bill becomes a law three months after the legislature adjourns.

Original demands of the companies have been partly met by the legislature. A bill appropriating \$10,000 for a thorough audit of the treasury is now a law, while the state bonding law requires burglary insurance, and a third bill bonding all employees of the treasurer is far on its way through the legislative mill.

Vice-president Conlin Speaks

Fundamentals of contract bonds and tips on how to write them were given by Vice-president C. C. Conlin of the United States Fidelity & Guaranty in a

talk in the mid-western division office in Chicago. This was one of a lecture series being conducted by co-managers W. O. Schilling and J. Dillard Hall, W. Herbert Stewart, of Chicago, chairman of the surety committee, National Association of Insurance Agents, spoke briefly. David Harper, manager contract bond department in the U. S. F. & G. division office, also developed that subject. Mr. Hall presided.

Casualty Company Activities

Try to Work Out Plan to Revive New Jersey F. & P. G.

NEWARK, May 1.—Stockholders of the New Jersey Fidelity & Plate Glass, which is in the hands of the New Jersey insurance department, are endeavoring to work out some plan whereby the company can be rehabilitated. J. S. Rippel, a leading banker, has been named chairman of the stockholders committee. The greater part of the company's business was reinsured by the Commercial Casualty in 1932. The insurance department took over the affairs of the New Jersey Fidelity & Plate Glass the latter part of 1932. Its financial affairs were in bad shape. Last February the court of chancery at Trenton ordered that more than \$1,000,000 in securities be turned over to the insurance department by the Commercial Casualty. The decision is now before the high courts in New Jersey on appeal.

It has been rumored for the past six months or more that an attempt would be made by the stockholders to put the company back on its feet again. There are numerous claims against the company at the present time.

Home Mutual Casualty Lineup

APPLETON, WIS., May 1.—E. J. Byrne of Appleton has been elected president of the newly organized Home Mutual Casualty. Julius Bubolz, Appleton, is vice-president; Martin Houghton, Stoughton, second vice-president, and G. A. Bubolz, Appleton, secretary treasurer. It will operate state-wide, writing all forms of liability, property damage, fire and theft, tornado and hail insurance, and will be operated in association with the Home Mutual Fire.

Sues Minnesota Policyholders

ST. PAUL, May 1.—The Indiana Liberty Mutual has brought suits against more than 500 policyholders in this state, seeking to collect from \$15 to \$20 from each policyholder on assessments.

American Surety Figures

The March 31 statement of the American Surety shows capital \$7,500,000, surplus and undivided profits \$2,505,988, premium reserve \$5,557,595, assets \$22,222,043.

Employers Reinsurance Rise

The report of the Employers Reinsurance for the first quarter shows that its assets have passed the \$10,000,000 mark for the first time. Richard Williams, Lawrence, Kan., has been made a director.

Truck Operators Form Company

SAN FRANCISCO, May 1.—A group of operators of long haul truck lines is behind the formation of a new participating stock company, known as the Carriers Liability Insurance Company of California, with \$500,000 authorized capital. It plans to commence business

with \$100,000 paid-in capital and \$25,000 surplus. John Drenth, Fresno, Cal., who was connected with the Truck Owners Association as insurance adviser, is to be the manager of the new company, according to report.

Would Modify Truck Coverage

CHARLESTON, W. VA., May 1.—James P. Tierney, supervisor of transportation for the West Virginia state road commission, had under consideration proposals submitted by representatives of insurance companies, looking to modifications of the insurance required by the commission to be carried by owners and operators of trucks.

Present regulations required by endorsements on liability and property damage policies are so stringent, Mr. Tierney said, many of the larger companies are unwilling to write the coverage in West Virginia because they feel the risk is too great. Proposals for modified policies were submitted at the

conference with company representatives and will be studied. Under them, he said, all companies writing the classes of insurance affected—public liability, property damage and cargo covers, can afford to write the policies.

About 50 insurance men conferred with Mr. Tierney and Harlan Justice, deputy insurance commissioner, relative to proposed changes in endorsements. In the morning session there was discussion of compulsory insurance regulations while in the afternoon features of the new auto financial responsibility law were considered.

Divide Los Angeles Forum Work

LOS ANGELES, May 1.—At the meeting of the Los Angeles Forum of Casualty Underwriters it was decided to divide the work of the organization equally between social and educational activities. H. D. Adams, president, appointed two committees to handle the details.

AMERICAN RE-INSURANCE CO

Robert C. Ream, President

67 Wall Street New York

DECEMBER 31st, 1934

CAPITAL	\$1,000,000.00
Surplus (at Market Values)	2,574,975.70
Voluntary Catastrophe Reserve	500,000.00
Reserve for Losses	2,690,601.13
Contingency Reserve	48,127.53
All Other Liabilities	1,110,130.49
TOTAL ASSETS	7,923,836.10

NOTE: Securities carried at \$739,222.50 in the above statement are deposited as required by law.

CASUALTY RE-INSURANCE

Thirty-Three Years—Through Thick and Thin

AMERICAN CASUALTY COMPANY



READING, PENNSYLVANIA



● Experience gained through meeting many and varied conditions removes the always dangerous snap-judgments and vacillating practices that bring gray hair to agents' heads.

A Stock Company

Incorporated 1902

Supporting the American Agency System ever since

SCHIMMEL HOTELS

*Synonyms of Service

Traveling America Recognizes the Name "Schimmel" as a Symbol of Distinctive Hotel Service

HOTEL CORNHUSKER—Lincoln. 300 Excellent Outside Rooms \$1.50 to \$6.00. Newest Hotel—Nearest State Capitol Bldg.

HOTEL BLACKSTONE—Omaha—250 Rooms—Each with Private Bath—\$2.50 to \$8.00. Located Midway between Business and Residential District.

HOTEL KINGSWAY—St. Louis—250 Rooms—\$1.50 to \$5.00. Overlooks Famous Forest Park.

HOTEL CUSTER—Galesburg 175 Rooms—\$1.25 to \$3.00.

CHAS. SCHIMMEL
FOUNDER
AND OWNER

IN GALESBURG
THE CUSTER
EDW. SCHIMMEL, MGR.

IN LINCOLN
THE CORNHUSKER
A. Q. SCHIMMEL, MGR.

IN ST. LOUIS IN OMAHA
THE KINGSWAY THE BLACKSTONE
WALTER SCHIMMEL, MGR. BERNARD SCHIMMEL, MGR.

Administration of the New Indiana Code Is Discussed

(CONTINUED FROM PAGE 4)

agents in June and July and they will have to be back in the insurance department by Aug. 15 if the agent wants to qualify for a new license as of Jan. 1, 1936. Licenses can be obtained after Aug. 15 in the usual routine but that date is named as a deadline to assure the agent that he will receive his licenses to operate from Jan. 1. Companies will be required to get in their requisitions for licenses not later than Nov. 15 and by Dec. 10 companies will receive the agents' licenses to be effective Jan. 1. Under the former method licenses could not be delivered until several weeks after the first of the year.

Employs Investigators

The department has employed two investigators to check up on agencies, one working in the northern part of the state and one in the southern. Three weeks ago one agent operating without a license was arrested, following investigation, and has been convicted.

Under the new law, premiums collected by agents are viewed as trust funds until delivered to the companies. "And there is considerable significance to that statement," the commissioner added.

Questions from the floor were invited. Many showed concern on the point that policies could be countersigned only by licensed agents, solely on a commission basis. Many companies have had policies signed by their field representatives. To all these inquiries, the commissioner insisted that the law requires signature by a commission paid agent.

Part Time Agent Question

The question of appointing part-time agents was brought up. Where a school teacher, for example, wanted to sell accident and health insurance during a vacation period, the commissioner said the department would consider the issuing of a license on the merit of the one applying, not objecting to this effort to supplement income in an unemployed period. The department is decidedly opposed to the appointment of the barber-shop type of agent.

The signing of endorsements on policies, under the law, can be done only by licensed commission agents. A company representative other than an agent can bind a company temporarily on a risk but the policy must be issued by an agent.

Follow Common Sense

The insurance department cannot abrogate contracts, the commissioner said. The law will be administered along common sense lines. Where there are difficulties to be met the department will have some leeway to meet the situation with a ruling. It is not the intention of the department, the commissioner said, to interfere with the production of business but the law is intended to protect licensed companies and agents.

The commissioner made a very good impression, presenting his views with earnestness and conviction. While there will be some problems to be solved by companies now operating along lines that are evidently in conflict with the law, the feeling on the part of representatives present of such companies was that the commissioner will help them work out plants that will be acceptable to the department. He was heartily applauded at the close of the meeting. It was regarded as a fine diplomatic stroke to get so many field men into conference for a frank discussion of the situation created by the new measure.

Burglary Underwriters Meet

The Burglary Underwriters Club of Chicago will hold an open forum at the monthly luncheon meeting to be held in the Great Northern hotel, May 2.

Central Hail Department in Chicago Now Operating

(CONTINUED FROM PAGE 4)

Farmers are becoming hail insurance minded, Mr. Bridges says, realizing that they cannot afford to leave higher priced farm products uninsured. The active season in hail insurance is May and June.

For many years the Home fleet has had a southwestern hail department at Oklahoma City, with R. H. Sherman as manager, supervising Oklahoma and Texas. Another office is conducted in Omaha by State Agent Charles U. Hendrickson, handling hail insurance in Nebraska. Mr. Hendrickson is one of the recognized experts in this line. Weeks & Jackson of Minneapolis are Minnesota state agents, handling hail with supervision over Minnesota, North and South Dakota, and also all lines for the Home fleet. Both Mr. Hendrickson and Weeks & Jackson are veterans in the hail business.

O. J. Davis of Des Moines, Iowa state agent, recently took over supervision of hail production in his territory. Marshall Mellor of Louisville, Kentucky state agent, supervises that state and Tennessee and Indiana for hail business, largely on tobacco. Curtin & Maupin of Topeka, Kan., are state agents for the National Liberty, writing and supervising hail insurance in Kansas.

General Agents Active

There are also a number of general agents active in this line, including John Cogley of Sioux Falls, S. D., representing the Carolina and Homestead; the Cavanaugh Company, Omaha, representing the Harmonia and New Brunswick; Miller-Studebaker of Topeka, representing the Franklin Fire and City of New York; C. C. McKnight of Enid, Okla., the Carolina and Halifax; and R. W. Drake of Oklahoma City, who recently was appointed for the New Brunswick.

Mr. Bridges recently gave a talk on hail insurance over station WHO of Des Moines, which has developed much interest in this coverage among farmers.

Digest Given of Current Action of Legislatures

(CONTINUED FROM PAGE 4)

the district court of the commissioner as ancillary receiver for foreign companies.

Oklahoma—Income tax of 6 percent on corporations, including insurance companies, signed by governor.

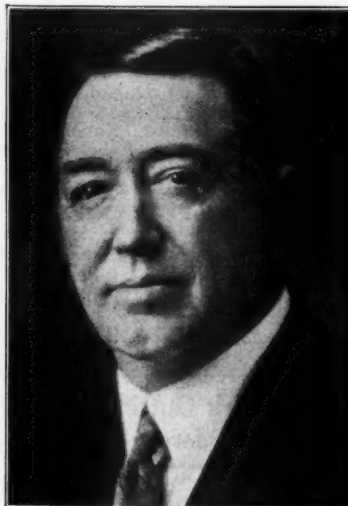
Florida—Two bills are being backed by the Florida Local Underwriters Association. One provides for changes in an agents' qualification law. Licenses would be issued to general agents of casualty and surety companies, in one provision, while another simplifies the collection of agents' qualification fees by having each company pay \$1.50 additional for each license instead of collecting \$6 direct from each agent. The same amount of revenue would be derived and it would simplify the issuing of licenses at the renewal period.

Another association bill provides for non-resident brokers to procure license for a \$10 fee before participating in commissions on Florida business and limits the amount which is to be paid a non-resident broker or Florida agent to 50 percent of the commission.

A bill has been introduced creating the office of fire insurance commissioner. This is primarily a rate making bill and transfers the function of inspecting fire companies to the new office.

The Florida insurance department is backing a measure requiring all companies to have \$200,000 in assets invested in approved bonds or first mortgages on real estate worth at least twice the amount loaned thereon. It also gives the commissioner substantially the same authority to revoke the

Agent-Author



ATWOOD L. JENKINS, Richmond, Ind.

Atwood L. Jenkins, prominent local agent at Richmond, Ind., who is well known to those who attend meetings of the National Association of Insurance Agents and the Indiana association, is one of the real agency students in the business. He has made a success of his work and has the power of telling how he does it. He has gotten out three recent publications, "Insurance Surveys and How to Make them," "Reciprocal Automobile Insurance; How to Meet It," and "A Few Questions and Answers an Insurance Agent Should Know." Mr. Jenkins is selling the first two at 85 cents each and the third at \$1. He is now in a position to go to local boards, state bodies or have personal conferences and do educational work, charging a reasonable fee.

license of a foreign corporation as is now given the New York superintendent. It would also repeal the obsolete requirement of publishing an abstract statement in a newspaper in Tallahassee.

New York—Governor Lehman signs bill prohibiting reinsurance of more than 50 percent of outstanding risks without insurance department's approval.

Pennsylvania—Bill introduced requiring approval of commissioner to all contract forms. * * * Bill introduced requiring that insurance agents must be principally engaged in the insurance business.

Illinois Insurance Code Is Still in Lap of the Gods

(CONTINUED FROM PAGE 4)

don Lloyds on the same basis as domestic Lloyds. He claimed that London Lloyds should not have any advantage. R. M. Redmond, a Chicago broker, came out strongly in favor of London Lloyds, claiming that the public should have a free and unrestricted market. He said that London Lloyds offered many coverages that no domestic institutions were willing to write.

It was brought out at the hearing last week that the code, while allowing fraternal to write either life insurance only or life and accident, would prohibit them from writing accident and health only. The United Commercial Travelers of Columbus, O., and the Travelers Protective Association of St. Louis, both of which operate on a nation-wide basis and write a very large volume of accident and health business, protested this provision very strongly contending that it would either bar them from Illinois or require a complete revision of their plan of op-

eration. Their arguments seemed to impress some of the senators, but when an amendment was proposed to meet their objections, Insurance Director Palmer refused to accept it.

With the pressure of sales tax and other important issues before the Illinois legislature, insurance men feel that the insurance code may be lost in the shuffle this week. The amendments are now all in and they are being carefully studied from all sides. Some of the amendments agreed to by the Illinois department seem to have satisfied to some extent the casualty companies although they are far from favoring the adoption of the code. The National Board of Fire Underwriters is still strenuously opposed to the code as a whole, even with the amendments suggested. The National Board legislative committee states that the investment section is ambiguous and very unsatisfactory. Other points in the code are pointed out as dangerous. The officials declare that entirely too much power is granted to the state insurance department.

Two Sides in Lloyds Fight

While a number of prominent insurance brokers and buyers of insurance have appeared in favor of London Lloyds, the Illinois Association of Insurance Agents is opposing the provision in the code governing that group. The Illinois Bankers Association is one of the strongest sponsors for Lloyds. The Illinois agents evidently do not object to London Lloyds being given free rein in writing unusual risks that are not covered to any extent or not at all by regular companies. However, the agents do object to Lloyds being put on the same level with the regular companies in the ordinary lines. The agents point out that London Lloyds has a very pronounced advantage in that it writes all sorts of risks and is not restricted in any way. In view of the agitation in Illinois and the possibilities of London Lloyds being circumvented, it is stated that some of its blanket bonds on banks have been rewritten for a term of three years.

Buckeye Union Convention

The Buckeye Union Casualty held an agency convention in Columbus, with several hundred representatives in attendance. President F. E. Jones presided at the banquet, at which Prof. F. E. Held of the department of business education at Ohio State University spoke on "Streamlined Opportunity." Speakers the second day were George French, assistant secretary; G. A. Davis, Mansfield; Emmett Haas, Lower Salem; Park Dill, Westerville; Ralph Scott, Newcomerstown, and J. E. Bowers, Toledo. A round table discussion followed each address.

Other banquet speakers were Ira L. Morris, secretary and general manager; Governor M. L. Davey; Senator W. M. Herner, Senator John A. Lloyd, secretary Ohio Association of Insurance Agents; A. G. Klinger, president of the Ohio National Bank, and Raymond Rhoades, assistant superintendent of insurance.

Gain in Massachusetts

BOSTON, May 1.—Massachusetts casualty premiums totaled \$62,340,125 in 1934, a gain of 10 percent. Losses paid aggregated \$33,027,388, an increase of 8.1 percent. Automobile liability premiums increased from \$26,794,552 to \$27,866,006, losses increasing from \$15,987,459 in 1933 to \$17,386,986 in 1934.

Metropolitan Gets \$1

TACOMA, WASH., May 1.—The Metropolitan Casualty was awarded \$1 in its suit for \$15,000 against the Hanson & Rowland general agency in Tacoma. The suit involved a five-year representation of the Metropolitan by Hanson & Rowland on a profit sharing agreement. Accounting differences led the agency to withhold \$15,000 in monthly remittances which was contested.

RECENT COURT DECISIONS

CASUALTY & SURETY

Had No Permission to Drive

Express Authority to Use Car For Special Purpose Doesn't Extend Right for All Purposes

When an employee of an assured is doing something radically different from what he was authorized to do, using the employer's car, there is no liability on the part of the insurer, according to the Pennsylvania superior court in *Powers vs. Wells and York-shire Indemnity*.

Wells was employed by Edmonds as a house man and chauffeur. He drove the Edmonds children to school about seven miles away from their home. On the afternoon of the accident, Wells left early and went about ten miles beyond the school, to obtain some parts for his own automobile. On the way to the school from this point, the accident occurred.

The court declared that, assuming that Wells had, on several occasions, permission to use his employer's automobile, that was insufficient proof of a general practice or common usage, justifying the implication that he had permission from his employer or an adult member of the family on the afternoon of the accident to use this car for his personal purposes. Express authority to use the car for a special purpose does not extend this right for all purposes. He had abandoned duties of his employment and the relation of master and servant had been broken and had not been resumed. There can be no question that the employer was not liable nor can the insurer be compelled to answer for Wells' negligence, notwithstanding he had original permission to use the car for limited purposes.

Must Pay on Bond Under the California Securities Act

Judgment against the Indemnity of North America has been upheld by the California district court of appeals, first appellate district, upon a bond given under the corporate securities act of California, as amended by statutes of 1925. The case was *Stewart vs. Indemnity of North America, et al.*

The lower court found that in 1926 Stewart's assignors paid to the S. E. Whiting Company, acting as brokers for a San Francisco finance corporation, \$1,360 upon the sale of stock of the loan company; that the brokers failed to deliver the stock or anything of value to the purchasers and refused to give any accounting of the monies received.

The bond not only insures against fraud on the part of the broker, but undertakes that the broker will make an honest and faithful application of all funds received and a faithful and honest performance of all obligations and undertakings in the purchase and sale of securities. It was not necessary for Stewart to prove fraud or to prove that the contracts were made by the brokers with no intention of fulfilling them. It was sufficient to prove the brokers executed written contracts of sale of a certain number of shares of capital stock of the principal and that the brokers refused to deliver any of the stock to the purchasers or to account to them for the payment received. The only reasonable inference is that the brokers appropriated these funds to their own use and this brings their conduct strictly within the terms of the bond.

Surety Liable for Injuries

Must Stand Suit Because of Injuries Caused by Employee of a Subcontractor

Under a decision of the South Carolina supreme court the Indemnity of North America must stand trial for injuries inflicted by an employee of a sub-contractor performing work for a contractor on whose bond the Indemnity company was surety. The supreme court did not pass on the validity of the claim, remanding the case for a new trial.

The Newell Contracting Company was employed by the South Carolina highway department to do some work on a state highway. Canteley alleges that he was attacked and injured by an employee of the Batesburg Construction Company, a sub-contractor of the Newell company.

Provision of Bond

The Newell bond provides: "—and shall have paid and discharged their liabilities for injuries which have been incurred in and about the said construction, under the operations of the statutes of the state, and shall save harmless the party of the first part to the said contract for any losses due to the infringement of any patents, etc."

The supreme court held that the obligation is direct to pay and discharge for liability for injury. The bond does not say that these liabilities for injuries shall be only to the traveling public or those not engaged in the construction, but pays for all injuries incurred in and about the said construction. The bond does protect persons who receive injuries upon the work.

The Newell Contracting company is responsible, since it was the idea and purpose of the highway department to make the main contractor pay all legal debts which were incurred in and about the construction.

Time for Giving Notice Is Issue Under Fidelity Bond

The Greenbrier Laundry Company has failed in its second attempt before the West Virginia supreme court of appeals to get a judgment against the Fidelity & Casualty under a fidelity bond.

The lower court judgment for the laundry was reversed and a new trial was awarded. Cook, a salesman for the laundry company, was solely liable to the company on "drivers invoices" for all laundry work, except certain charge accounts, brought in by him. Cook not only failed on Jan. 2, 1932, but on each subsequent Saturday up to April 2, when he resigned, to make settlement as required by his agreement. On April 12, the laundry company notified the F. & C. of default. When the case was up before, the court of appeals held that under a fidelity bond, there is no liability on the indemnitor for failure of the employee to discharge an indebtedness owing by him to the employer, arising out of credit extended him by the employer.

On the second trial, the laundry company took the position that if the fidelity bond is not extended to Cook's indebtedness, it was in fact nudum pactum and the laundry company was permitted to introduce a letter, written in response to an inquiry by the F. & C. prior to the issuance of the bond,

setting up the relationship existing between the employer and employee and the nature and time of settlement of accounts.

The court of appeals held that the laundry company must show that prompt notice, in no case later than that required in the bond, was given the F. & C. of the failure of Cook to make settlement as specified in the letter. If the bond be construed as underwriting Cook's credit as well as his honesty, the laundry company has failed to meet the requirements regarding notice. Failure in this respect defeats its right to recover.

Surety Is Estopped to Proceed

Prevented From Seeking Redress Against Bank for Losses in Swindle of Life Insurance Agent

An interesting outcome of the case of the agent Peterson, who swindled the Metropolitan by insuring lives of 13 fictitious persons and four persons who knew nothing about it, then presenting death claims, is the decision of the United States circuit court of appeals, 3rd circuit, (N. J.) in *National Surety vs. Perth Amboy Trust Company*.

When Peterson would file bogus claims of death, he received from the Metropolitan Life checks for the fictitious claimants. He forged the endorsements and deposited the checks in his account with the Perth Amboy Trust Company under an assumed name. The Perth Amboy bank would forward the check with endorsement guaranteed, to the Chase National Bank, the drawee, for collection. Chase paid them and debited the payment to the account of the Metropolitan Life.

Had National Surety Bond

The Metropolitan held a bond in the National Surety running to the Metropolitan and the Chase Bank for \$100,000 under which the National Surety indemnified the Metropolitan for its total direct losses of \$22,519, and thus, presumably, relieving Chase from liability for paying the checks with forged endorsements.

The National Surety sued the Perth Amboy bank on its guarantee of endorsement to recover \$13,639, the face amount of the 17 checks which the Perth Amboy bank had collected from Chase and paid out to Peterson.

Upon discovery of the fraud and before the National Surety indemnified it under the forgery bond, the Metropolitan instituted two suits against Peterson. Judgments were obtained in both these suits and the Metropolitan recovered from Peterson about \$7,500.

The Perth Amboy bank urged that the Metropolitan, aside from an action against the National Surety on the bond, had available two remedies: one against Chase for monies diverted from its account by payment of checks with forged endorsements, and one against Peterson for conversion. In instituting suit and recovering judgments against Peterson the Metropolitan elected the latter remedy and in doing so, necessarily ratified the fraudulent acts of Peterson, its agent, and thereby the insurance company and all claiming under it, are estopped to proceed, by disaffirming its agent's acts in another suit against another party and another cause of action inconsistent with the first suit.

The higher court held that the actions by the Metropolitan, against Peterson, definitely fixed its rights at law and the rights of others claiming under it, which includes Chase and the National Surety.

FIRE & MARINE

Depletes Insured Property

Removal of Boards From Floor and Walls of Risk Doesn't Cause Forfeiture

The Farmers Mutual Home was defeated before the Nebraska supreme court in its effort to cause forfeiture of a policy on the ground that the assured had greatly depleted the property covered. The case was *Leisy vs. Farmers Mutual Home*.

The insured property was a corn crib and elevator. It turned out that various persons at the direction of the assured removed boards from the floor and walls of the grain bins during the life of the policy, but none was removed from the building proper. The grain bins were not in condition for use and had not been for some time prior to the issuance of the policy.

Forfeiture Not Provided

The supreme court held there was nothing in the policy providing for a forfeiture on the grounds alleged by the Farmers Mutual Home. There was some depletion of the floors and inside walls of the grain bins, but not such as would void a policy containing no provision for so doing. The insurance was written on the elevator and corn crib as a whole and not upon the integral parts.

Under the valued policy law the statute fixes the worth of the property insured conclusively at the valuation written in the contract and in case of total loss, that sum is the measure of recovery.

Fire Did Not Precede the Explosion, Court Decides

An interesting decision as to whether fire preceded explosion has been handed down by the Virginia court of appeals in *Pearcey vs. St. Paul F. & M.* The contention of the insurer that there was no prior fire was upheld.

The assured relied on the evidence of three boys who stopped about a quarter of a mile from the insured store to fix a flat tire on an automobile. They testified they saw a blue flame shoot suddenly into the air and immediately subside, which in a minute or a minute and a half was followed by the explosion which demolished the building.

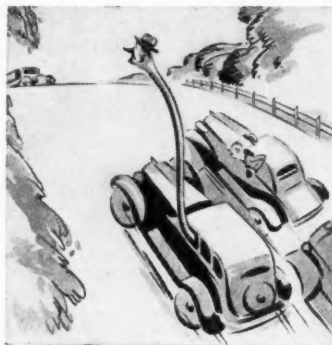
Testimony Not Sufficient

The court said the testimony of the boys as to the interval of time and the fire they found burning in the wreckage after the explosion, is not sufficient to show that the explosion was caused by a pre-existing fire. The flame which the boys saw shoot in the air was blue, whereas burning wood produces a yellow flame. The light was only momentary, the boys said, whereas if the building itself had been on fire before the explosion, the light would have been a comparatively low and steady flame and would have lasted to the moment of the explosion. What caused the explosion nobody seems to know. The assured failed to show that the explosion was caused by a pre-existing fire to the exclusion of the equally plausible theory which may be deduced from the evidence that the fire was caused by the explosion.

How Safely Do You Drive and Walk?

There are any number of ways for a person to drive a car, and even to walk, if to be the center of attention is the chief desire to be attained, no matter what the price. But if a person doesn't care much about having the finger of ridicule pointed his way, and really wishes to stay alive, there's not a great deal of latitude to the capers one may cut.

Some of the "smarty" types of driving an automobile are shown in a new Highway Safety Test issued recently by The Travelers in connection with the booklet "Thou Shalt Not Kill." Some drivers have yet to



learn, "he is a poor player who struts and frets his hour upon the stage and then is heard no more." There's the fellow who rudely cuts in on traffic, and the human giraffe who tries to see be-



yond the crest of a hill, just to mention a few.

Pedestrians often tread the way that surely leads straight to destruction. If they could see themselves as others see them, what a difference it might make. There's the person who crosses the street much in the fashion of the chicken, but before the chicken learned better. And what about the pedestrian who ought to be equipped with a periscope?

The new Test is not one of those things that bores one nigh onto death. It's simply an easy method by which a person can find out who's it.

THE TRAVELERS

Copies of the New Test are free.
Ask for the number you would like
to have to do a little classifying.

HARTFORD

CONNECTICUT